CONTINENTAL SELLING PRICES: AUSTRIA Sch 16; BELGIUM Fr 25; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS FI 2.0; NORWAY Kr 5.00; PORTUGAL Sec 35; SPAIN PID: 70; SWITZERLAND Fr 2.0; EIRE, 200;

BUSINESS

Gilts up

**Sterling** 

off 1.35c

the summer. Longs gained up

to a point, shorts up to i, and

the Government Securities index closed 0.52 higher at 66.74.

• EQUITIES followed gilts

strongth, and the FT 30-share index ctosed 4.6 up at 436.7.

• STERLING fell against the

dollar and Enropean currencies.

closing at \$2,27, down 1,35c, and DM 4,0850 (DM 4,10621). Its

STERLING

Trade-weighted Index mac 71-100

trade-weighted index slipped to 73.2 (73.7). DOLLAR opened weak, but rallied to DM 1.7980 (DM 1.7985). and its index was 86.6 (86.7). Page 25

• GOLD closed \$7 lower in London at \$518.5. Page 25

• WALL STREET was np 5.80 at 811.26 near the close. Page

attend a congressional hearing

In connection with the collapse

ew weeks, reflecting industria

the drup in husiness activity

Back Page: Survey details, Page

NORTH SEA gas pipeline net-

• WIGGINS TEAPE is to close

us Fort William pulp mill after

abandoning joint venture plans

with Consolidated-Bathurst of

Canada to build a £100m news-

· MARPLES RIDGWAY, sub-

sidiary of the Bath and Portland

Group, is pulling our of its

ASLEF, accepted a British Rail

pay deal giving a single 20 per cent rise from ocxt Monday.

• TARMAC'S pre-lax profits for

Western Areas

instead of in two stages.

COMPANIES

Lex. Back Page

6: Men and Matters, Page 16

this summer. Page 6

print plant. Back Page

in silver prices. Back Page

0.52;

# GENERAL Muskie will **succeed**

Vance U.S. President Jimmy Carter chosen Senator Edmund Muskie to replace Cyrus Vance

The move came amid growing Back and Page 28 tension in the Gulf following an assassination attempt in Kuwait on Iran's Foreign Minister Sadon Qotbzadeh. He escaped unhurt.

Tension was heightened when Iran claimed that one of ils aircraft was fired on during an encounter with two fighters from the U.S. naval task force. Washington denied there was any firing, and said the Iranian

aircraft involved was a C-130 Hercules transport, which was intercepted by two F-14 jets near the U.S. carrier Nimitz. Page 4: Congress begins inquest, Page 3: Parliament, Page 8 Hitchcock dies

### suspense, whose 60 films included "Psycho" and "Spellhound." died in Los Angeles,

Liberia pledge

Sir Alfred Hitchcock, maater of

### Liberia's military leader Samuel Doe promised no more

executions of officials of President William Tolbert's ousted

### been recovered by police in raids in north London.

£2m gems haul

Mnre than £2m of jewellery has

Peach jury visit Jury in the Blair Peach inquest in March to \$3.16hn (£1.39hn) at Hammersmith is to visu the from \$5.57bn in February. spot where he fell after an attack during last year's HUNT hrothers face possible criminal charges for falling to

### Laker go-ahead

Laker Airways chairman Sir Freedie Laker won the right to • CBI is likely to put strong fly the London tGatwickt- pressure on the Government to Civil Aviation Authority, Page 7 lists' growing concern about

### Water rate probe

Sleep rise lit water rates has led to a Munopolles and Mergers Commission inquiry tolo operating costs and efficiency of the Severn-Trent Water Aulnumly.

### Forces' pay rise

Pay rises of hetween 14.5 and 20 per cent for members of the armed torces have heen accepted by the Govrenment, A private will earn £5,011, a rise or auour 15 per cent. Page 7

### Print admission

British Printing Industries £105m Iran road project because Federation chairman Peter of payment difficulties. Back Medicaltic adoutted that print Page craftsmen were still working in • TWO RAIL unions, NUR and ats company despite the federation's call for a national lockout.

### Airmen killed

Two airmen died when their American F-111 highter-homher crashed between Bournemouth and Blandford Forum A second jet returned safely to base in helped by strong performances

### Briefly . . .

was • BUNZL PULP and Paper harged with murdering British publisher Rudolf-Hans "John" Calmann. .Nusirian hitchinker Calmann. year pre-tax profits £900,000
Former Coldstream Guards ahead at £13.6601. Page 18

officer Reverand Keith Arnold. • UNIGATE'S flom hid for the is to be the first Bishop of Berkshire-hased Clifford Dairies Warwick.

PUBLISHER'S NOTICE The Financial Times regrets the inconvenience caused to readers yesterday when as a result of industrial action by certain employees who are members of the National Graphical Association, it was not possible to publish the newspaper in London. A summary of UK and International Company News which would have appeared in yesterday's issue is on pages

We also applicate for errors contained in this issue which are due to difficulties in the reading department.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Prop. Fartnerships 193 + 15 Roberts Adlard 128 + 6

RISES	Simoo Eog 244 + 10
Exched, 140c 1984, 1981 + 1	Stylo Slines 165 + 20
Treas. 13;pc 2000-03 199; ÷ 1	Tarmac 239 - 11
Baok of Scotland 243 + 8	Thorn EMI 298 + 6
Bibby (J.) 170 + 6	Turner and Newall 111 + 4
Blue Circle 322 + 10	Wilson Brothers 34 + 13
Clifford's Dairies A 102 + 22	Candecca 120 + 10
Eagle Star 184 + 7	Carless Capel 117 + 15
Elys (Wimbledon) . 155 + 13	Clyde Pet 425 - 23
Flat ( Attitioledge) . 199 ± 19	
Finlay (J.) 88 - 6	IC Gas 792 + 26
Grant Brothers 93 + 11	Leichardi Explor 220 - 25
Hamhrns 383 + 6	North Broken Hill 147 + 5
Hay's Wharf 184 + 7	FALLS
intai, Thomson 410 + 35	Alpine Holdings 93 - 5
London Mehnt Sees, 118 + 7	Fine Art Dev 551 - 3
to and Draw Court 252 4 10	Petrocon 17 - 71
Lon. and Prov. Soup 322 + 10	
Man Agency Music 142 + 12	De Beers Dfd 378 - 12
Manders 156 + 6	Kinross 459 — 21
Ocean Transport 115 + 5	MiM Holdings 197 - 5
Des Dustmorehise 107 ± 15	Spothypal S54 - R4

# NEWS SUMMARY UK will halt all EEC business, Thatcher threatens

BY RICHARD EVANS, LOBBY EDITOR

pean Community virtually to a standatill pending a satisfortory permanent settlement of Britain's EEC hudget deficit.

The Government has adopted that tactic to force a solution at the Venice summit in June. It is putting maximum pressure on its EEC partners.

"There will he no agreement on major matters in the Community unless and uotil our own particular problem on the hudget is settled." Mrs. Thatcher told MPs after the Commons had given widespread hacking for her uncompromising stance. The warning is aimed specifically at President Giscard that he had no wish to sec the issue of Britain's contributions

on the agenda at Venice. The choice facing the French and other members of the Community is to agree quickly on the budget or face the use of the vetu by the UK on higher farm prices, a new sheepmeat regime and progress towards a common fisheries policy.

Mrs. Thatcher's warning last

month to suspend Britain's valued-added tax payments to the Community is helng held in greater than Mrs. Thatcher's

BY DAVID LASCELLES IN NEW YORK

With measures announced on

Monday to cure severe manage-

ment problems at the second

largest bank in Chicago, It hreathed new confidence inin the U.S. financial community,

batlered by light markets and the multi-billion dollar silver debts of the Hunt oil family.

The package for First Pennsylvania Bank of Phila-delphia was assembled.

apparently at short notice by

the Federal Deposit Insurance Coroporation, the Government

industry security, with help of the Federal Reserve Board. Also involved are 22 banks led

hy Citihank of New York. It is

First Pennsylvania is the

Corporation's higgest

gency which oversees banking

of its kind,

the Prime Minister, threatened drawn but it is considered yesterday to bring the Euro-counter-productive to issue further threats before the Venice summit on June 12 and

> The Prime Minister's belief is that, because of the signifi-cant movement by Britain and the other EEC governments at Luxembourg, there is now a much better prospect of finding

More summit news, Page 2 Partiament, Page 8 Editorial Comment and feature, Page 16

a formula that would combine amount and duration.

The key is the need for a permanent solution, not one d'Estaing of France, who de permanent solution, not one clared after the complex that would last one or two negotiations at Luxembourg years and need to be renego-

In domestic political terms, it is essential for Mrs. Thatcher to secure an agreement that would hold until the next general election in order to neutralise the EEC as a political

On timing, the hope is that, after reflection, the French will have to accept the need for further discussion at Venice. Their desire for agreement on nigher farm prices Is felt to be

First Pennsylvania Bank

THE U.S. Government and a 23rd largest bank in the says it will make funds avail-

help a large Pennsylvanian bank lems caused by bad loans and bank makes funds available to out of frouble. The move is by ill-jndged dealings in the the banking community by disnne of the largest hank rescues bond market. There had been counting suitable securities.

widespread speculation for some time that it would have

The request for aid was made

on Friday. The package was

assembled over the weekend and armounced on Monday

night. The bank made it clear

that the reports of its difficul-

lies had led the withdrawal of deposits. "Without these loans.

First Pennsylavia's financial

viability would have been seriously threatened," the bank

The package comes in three

8500m loan, of which the FDIC

will provide \$525m and the 23 banks \$175m (including \$25m

from other Philadelphia banks).

Second. the banks will establish a \$10n line of credit.

be backed by the Fed. which

Third, the whole package will

First. there is a basic

receives \$1.5bn aid

to seek belp.

MRS MARGARET THATCHER, abovance. It has not been with-need for an early settlement. It is certainly true that ber forceful tactics at Laxembourg pressure off ber at Westminster. Widespread praise came not only from her own backbenchers hut from Mr. Callaghan, Opposition Leader, for her de-

> suitable in money terms but would not provide a long-term solution. Callagban Equally, Mr. strongly aupported Mrs. Thatcher's decision not to give way on the freeze on agricultural products in surplus while

cision to reject an offer that was

the hudget issue was under discussion. The Liberals grumbled that such brutal tactics might per-manently damage the unity of

the Common Market and, in private, some Tory EEC sup-porters felt that it might have been wise to settle for the generous offer of a net contribu-tion of £325m in 1980 and negotiate further later. But the consensus was that

the Prime Minister was better placed to achieve a satisfactory solution after the Luxembour negotiationa than many MPs had thought possible after the abortive talks at Dublin last acquiations yesterday that she

Continued on Back Page

the facility whereby the central

The bank has already made use

nf this facility to the tune of

free for one year, with interest

at one and a quarter tims the

FDIC investment portfolio yield

for its remaining four years.

The interest on the \$175m bank

loan will be set periodically.

according to rates on certificates

and assisting hanks warrants to

The hank has also had to accept

tough canditions imposed by the

FDIC. These include the need

for FDIC approval of dividends,

Page 22

In return, First Pennsylvania'

issue pro-rata to the FDIC

20m sbares at \$3 a share.

The FDIC loan will be interest

\$700m

of deposit.

# assess **Summit** failure

By John Wyles in Brussels

EEC FOREIGN Ministers are expected to try to grapple next week with the tricky consequences of the failure of this week's Luxembourg Summit th settle the UK's budget demands. Community governments were beginning only yesterday to assess whether the stalemate threatens to plunge the Community into a serious crisis or whether it is merely another milestone on the long road to

a final negotiated solution.

Reaction from many EEC capitals was understandably hostile Prime Minister Margaret Thatcher's refusal to accept a substantial £775m reduction in Britain's anticipated 1980 bud-get payments of £1.1 bn. A West German official suggested the Community was back to "square

In Paris President Giscard d'Estaing was reported to have promised militant French farmers a price rise of almost 10 per cent "as soon as circum-stances permit." This would be made up of a 5 per cent devaluation of the green franc. the EE Gfarm currency, which would bave been obtained anyway, and possibly 5 per cent in place of the price rise which was not agreed in Luxembourg. Although the idea is contrary to Common Agricultural Policy rules, the French are boping to achieve some sort of arrangement as a joint decision of eight of the nine EEC members.

The final offer in Luxembonrg was supported by Chancellor Helmutt Schmidt of West Germany and President Giscard with varying enthusiasm from the other six.

the other six.
It proposed putting, a £325m It proposed putting a \$325m (538m units of account) ceiling on Britain's net payments in 1980 and \$490m in 1981. Mrs. Thatcher turned it down because she was not prepared to pay more than \$395m in 1981. She also wanted a deal which ran a minimum of three years. The quid pro quos demanded by others, particularly France, included a 5 per cent rise in group of commercial hanks country, with assets of about able to First Pennsylvania have put logelher a \$1.5hn \$9hn. It has been grappling through its discount window, (£600m) financial package to with enormous financial probe the facility whereby the central

farm prices, a settlement of the Anglo-French lamb row and a statement bn fishing pplicy. All the other leaders were adamant after the summit that they issue at the EEC's next govern the first three months of the meet leaders meeting in Venice. Sig Francesco Cossiga, the landysts recently revised projections. Ford lost \$41m in the less threater of 1979. Several Continued on Back Page

£ in New York Apr. 28

. brevious spot 52,2825-2840/52,2750-2786 1 month 0,12-0.07 dis 9,20-18 dis 5 months 0,74-0,68 dis 0,50-0,40 dis 12 months 2,75-8,55 dis 2,00-1,85 dis

# Ministers GE to buy Thorn-EMI scanner side

BY GUY DE JONQUIERES

scanner operations in a \$37.5m (£16.3m) deal.

This is the first move to rationalise EMTs far-flung activities, which include defence and industrial electronics, record production and leisure aervices, since it was taken over by Thorn last year.

The agreement is subject to approval by American and British authorities. It is expected to be scrutinised closely by the U.S. Justice Department on anti-trust grounds, since it will give GE a dominant share of the American scanner

market. EMI and G Ehave also agreed to settle out of court their legal battle over alleged infringement of acanner patents. It is under stood that the settlement will account for most of the sum paid to Thorn-EMI in the deal. The cash is not expected to cover more than part of the cost to Thorn-EMI of withdraw ing from medical electronics. Mr. Peter Laister, managing director, said that the net cost would be "substantial". Some estimates put it as high as £30m.

In the two years to the en of last June, EMT's medical division lost £26m, mainly that losses since then have been through scanners. It is believed running at about £1.5m a month EMI scanners, more than 1,000 - as -well. of which have been sold world-

THORN-EMI, pioneer of the medical scanner, is to withdraw from the medical electronics and clinics in the U.S. GE, field. It is to transfer to hitherto one of EMI's fiercest General Electric (GE) of the U.S. almost all its loss-making quarter of the scanners in use competitors, accounts for a quarter of the scanners in use there. GE will take over EMI'a.

world-wide scanner servicing its non-U.S. marketing organisation and spare parts inventory. It will also acquire EMI's medical factory at Radlett, Hertfordshire, where it intends to continue manufacturing the CT 7020 slow-speed scanner and other realiest classifications. other medical electronic equip-

ment.
GE will not, bowever, take over the EMI plant at North-brook, near Chicago, where the CT 7070 and CT 6900 bigh and medium-speed scanners sold in the U.S. bave been manufac-tured. Thora-EMI plans to continue operations at Northbrook until current orders for about 80 scanners had been met or a suitable method of disposal found. GE has developed a fast scan-

ner of its own, similar to the CF 7070, and is understood to be anxious to minimise its ex-posure to U.S. anti-trust challenges. It is expected to meet future U.S. demand for new and replacement scanners

Also excluded from the deal-

are ultra sound products, which scan by a different technique. They are made in Edinburgh by Nuclear Enterprises an EMI subsidiary. However, Thorn-EMI indicated that it was seeking to dispose of those activities

Lex, Back Page

### **Record loss for Ford**

FORD MOTOR, Suffering from

history. \_\_\_\_\_ almost 20 per cent in the The number two U.S. motor quatter, in West Germany. They manufacturer, following last were also lower in the UK. week's report of a sharp earn-

last quarter of 1979. Several whole year.

The fist quarter loss compared with profits of \$595m in the first quarter of 1979. Sales fell by 24 per cent to \$9.6bn in the quarter just ended.

The most ominous sign for alling car and truck sales in Ford in its earnings report is the U.S. market and weakening that sales have started to weaken profits abroad, hat reported the significantly in key overseas largest quarterly loss in its markets. Sales were down by

> Overail profits outside North America fell in the period by 9.1 per cent to \$441m, the company said.

Mr. Philip Caldwell, recently appointed Ford chairman, described the results as unsatisanalysts expect the company to factory. He repeated the commake a beavy loss — perhaps pany's forecast the its losses as much as \$400m — on the would be even heavier in the whole year current quarter. Chrysler awaits parts, Page 3

Volkswagen record profits, Page 23 Lex, Back Page

# MacGregor accepts BSC job

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

1979 rose 43 per cent to £38.03m. in the quarrying, building and this week as the full-time chairman of the British Steel housing divisions. Page 18 and Corporation following a mecting in London yesterday morning with Sir Keith Joseph. second-half results were down, but the first half rise left fulllodustry Secretary.

He will take over an industry which is expected to make a loss of at least £450m in this financial year, following a similar loss in the year to are being completed be March 31, and which is in announcement is made. urgent need of a new loog-term plan to help it cope with current problems.

Sir Charles Villiers, who is due to retire from the chairmanship in September at the age of 67, intends to advise Sir

MR. IAN MACGREGOR' is Keith that a new erisis has numerous expected to be named later arisen in the industry as a interests. result of its three-month strike. loss of markets, inflation, and a world-wide decline in demand for steel.

Mr. MacGregor, 67, was offered the job officially by Sir chairmanship. Keith and is understood to have accepteó. Details of his appointment and salary - the usuai rate is £48.500 a year --are being completed before an Mr. MacGregor, who was born

in Scotland but has lived and worked to the U.S. for more than 35 years, is the former head of AMAX (American Metal Climax), of which he is still honoury chairman. He has

It is understood that the Government has agreed to his keeping some of his appointments which do not involve a

clash of interest with the BSC He is likely to become a limited partner of Lazard Freres, the New York investment bank, of which he is a general partner. But he may have to give up other appointments, including

the non-executive deputy chair manship of BL, which he has held since 1977 and a directorship of Singer in the U.S. The Continued on Back Page Men and Matters, Page 16

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Clifford's Daines ... Dorada Holdstone Estates & Gen. ... Lambert Howarth

# In 1969 two men walked the surface of the moon alone. corporate plans, and executive First Chicago Bank's problems. It took thousands more to get them there. In much the same war the successful manufacture Trust or Triplet Total a Repsion Fund Projection of Pension Fund. Projection of Chardable Fund. Projection of Chardable Fund. Projection of Chardable Fund. Projection of Chardable Fund. Assesses and Chardable of Chardable fundaments of Chardable fundaments. The services and projections. The services and projection of Chardable fundaments. Security in the Chardable fundaments of Chardable fundaments. Projection of Chardable fundaments. Project

PO Scx 297, Drapers Gerdens, 12 Throgmorton Avenue, London FC27-266, Telephone: 01-628 9888.

هكذا من الدِّحل

# Schmidt's compromise no longer on offer

BY JONATHAN CARR IN BONN



pared to repeat the compromise offer made by Chancellor Helmut Schmidt at the Luxemtribution to the European Community'a budget.

It is understood that if the offer had been accepted it would have meant additional costs to West Germany this year of DM 1.25bn (£305m). This was double the sum the Bonn Cabinet had agreed was acceptable to obtain a compro-

Herr Schmidt was ready to defend the higher figure before the Cabinet on the grounds that

WEST GERMANY is not pre- ueeded to bring unity to the Ministry, Herr Matthoefer has tary budget of about DM 2bn EEC at a time of growing inter- long felt that a solution to the to the Cabinet. That alone will national tension.

hourg summit to try to resolve offer "we are now going back the dispute over Britain's con- to square one," officials said. There was no point in laying arguments bad been thoroughly state secretaries could handle examined and the political and issues carefully

If the problem went any-

British budget issue must . But with rejection of the either be political, in which case it was a matter for Herr Schmidt and other European leaders, or technical within the new suggestions on the issue financial limits already defined before the Chancellor aince the by the Cabinet, in which case

He is known to believe that there is even less scope for is known to prefer that Britain meeting Britain's demands than should leave the Community, where it would be to the there was at the European although he would see this as Finance Minister, Herr Hans leaders meeting in Dublin. Matthoefer, who seems bound Partly because of the recent to take a much less flexible line Turkish aid package and the on the budget issue than Herr need for increased defence felt that the first move towards spending, Herr Matthoefer is According to the Finance today presenting a supplement he British.

mean suts in the budget share of several ministries even without a contribution towards solving Britain's EEC problem.

It is recognised in Bonn that Britain has the power to block progress on other EEC matters for a long time. Rather than have this happen, Herr Schmidt the lesser of two major evils. Following the failure to compromise in Luxembourg, it is a solution now lie firmly with

Sig. Emelio Colombo; the Foreign Minister, told a parliamentar foreign affairs committee on Monday night, that it would be a mistake to be too pessimistic over the The Italian Government, which holds the presidency of the community until the end of June, is hopeful that the ministerial meetings of the Nine scheduled for the next week or two can bridge the gap between Britain and

> The Venice summit will then be able to put the final seal on an agreement, for which the Italian Government has laboured hard during its six-month tenure of the EEC Council presidency.

Italy 'far

pessimistic'

By Rupert Cornwell in Rome

THE ITALIAN Governmen

ls refusing to dramatise the failure and hopes that final

agreement on the British EEC

budget can be reached before

the Venice summit in mid-

from

Nonetheless, there was no disguising the disappointment felt here that the efforts of Sig. Francesco Cossiga, the Prime Minister, to secure the basis of an agreement bad failed. His rapid tour of European capitals last week had left a widespread impression that a compromise be reached Luxembourg-

But Sig. Colombo said he boped that next week's meeting of foreign ministers of the Nine could resolve a difference which in absolute

# Thatcher's stand eases pressure by Westminster MPs

stance at Lauxembourg and the progress made towards a solution to Britain's budget difficulties has taken the political pressure off the Prime Minister at home, but intensified that within the European Com-

Her determination to achieve not only a satisfactory reduc-tion in Britain's net budget contribution of £1.1bn in the current financial year, but a permanent solution to the problem, has clearly strained ber relations with President Giscard d'Estaing almost to hreaking point and has antag-onised Chancellor Helmut Schmidt and other European

But at Westminster it was apparent that the Prime Minister has temporarily defused a political issue that had fhreatened to do great electoral damage to the Conservative

Failure to reach a settlement could still lead to a dan-gerous scramble before the next election to see whether the Conservative or Labour parties will present the more

dividends by achieving a settlement that would take the Common Market issue out of tion that the issue could be kept domestic politics. That could off the agenda at Venice in June only benefit the Tories, for and could be shelved

MRS. THATCHER'S stubborn Labour is much more effectively entrenched as an anti-Market

The Labour party may commit itself to a policy of withdrawal against the advice of Mr. Callag-han, as early as this autumn's party conference, and there have en ominous signs of an anti-Market move inside the Con-

servative party.
Some Tories have been firting

with the idea of associate membership of the Community, with free trade in industrial goods but withdrawal from the Common Agricultural Policy. These pressures have been lessened, provided there remains the prospect of a satisfactory settlement. Anti-Marketeers praised Mrs. Thatcher yesterday for the maintenance of pressure for a permanent solution that would involve restructuring the CAP and pro-Market Fories, in general, accepted the need for

The sole criticism of the Prime Minister's tactics came from the Liberals, who feared that such brutal methods could perma-nently damage the EEC, and from a minority of Tory pro-Marketeers. They argued pri-Luxembourg showed that have been wiser to accept the Mrs. Thatcher's persistent tac offer to cut British's net contics, decided by the Opposition tribution to £325m this year.

after the abortive Dublin sum. Their belief was about now so fed up with the wrangle over Britain's budget contribution that the issue could be kept

# Bitter French lay blame for breakdown on 'Mrs. No'

BY ROBERT MAUTHNER IN PARIS

IF THERE is one thing which all French officials and com-mentators are agreed on it is that Mrs. Margaret Thatcher, the Britisb Prime Minister, is totally responsible for the breakdown of the summit.
"Mrs. No is bow one daily newspaper described ber and the sentiment is echoed in all the other papers. Consternation and hitterness at Mrs. Thatcher's intransigeoce permeates all the articles on the Luxembourg

meeting which, according to

most serious crises since its Consternation, because Europeana are once again deeply netional situation cries out for

find adequate solutions to its

problems last year and must

qualified

expressed in the previous year's.

nnual report depended on an

concessions to Britain.

far as the French are con-cerned is that, by the time the summit ended, the common front of Britain's eight partners appeared to bave been re-established. Mrs. Thatcher was isolated in ber refusal to accept a succession of what are considered in Paris to bave been particularly generous pro-

most commentators, has plunged the Community into one of the such a united stand. Bitterness, tion, farm prices and common farmers will be granted a rise because it is felt in France that lamb and fish policies would of about 10 per cent "as soon

meetings of the Council of spite of the disagreement in Ministers. The role of the Luxembourg. This includes the beads of state and government,

Meanwhile. Government faces the immediate and pressing task of placating the farmers, who make up rules of the common agricul-about 10 per cent of the work. tural policy. But the French ing population and are furious at Britain's refusal to accept the price increases agreed by the eight other member coun-

iously militant lobby discontent flaring, President Giscard bas promised that

skirting the issue of the size

of the public borrowing require

While criticising the politi-

The agreement nearly reached

between employers and unions

The central bank had no

controlling money supply and

to solve, be said. .

obs. prior to the Government's inter-Inflationary financing—rais- vention would have led to an

Council, grouping 5 per cent agreed by all the tate and government, Agriculture Ministers except was to discuss broader inter-national issues, without getting cent which they would have involved in technical details. Obtained anyway through devaluation of the green franc. Such a unilateral measure would clearly cootravene the

> who agreed on a 5 per cent rise. Inevitably, Mrs. Thatcher's inflexible stand in Luxembourg has again provoked speculation in France about the desirability of the UK's continued membership of the Community.

• President Giscard (right): never again

# **Broadside** from East

By Leslie Colitt in Berlin

WEST GERMANS have been joited by a series of sharp Soviet and East German attacks on the Bonn Govern-ment which contrast markedly with the planned signing today by East and West Germany of an agreement to amprove West Berlin's land routes to West Germany.

press service Novosti has accused West German leaders' of paying "lip service to de-tente" and called the "militarist amhitions" of West Germany a danger to the

the prime mover behind NATO's decision to station medium-range U.S. nuclear missiles in Europe. Novosti said West Germany bad "practically become a target for a retaliatory strike" by the Soviet Union "in the event of a conflict, because of the

At the same time, Herr Hermann Axen, a leading East German Polithuro member, speaking at a meeting in Paris of European Communist jarties, said that "West Ger-man imperialism was "striving for begemony" and was in the "advance guard of the arms race and of anti-Social-

The West German Government has called the Novosti attack an "excitable item of polemics" while the foreign policy shpokesman of the Free Democrat junior coalition partner in Boun said it "runs counter to all efforts by the Federal Government to exercise a moderating infloence in the present international

the next four years are fore- curbed by attacking expendi-1981 budget and a revised finance plan submitted by the authorities and business, which government yesterday. The new make up two-thirds of state draft budget shows a deficit of budget allocations. Skr 57.9bn (£6.17bn) or more

to higher interest charges on state debts and to rises in pensions. It would have been even greater but for taxes on alcohol, tobacco and energy promiaed

cent of GNP in the ensuing years. Taxation had reached its that monetary policy will con- 15 per cent.

air show last week that the cost of producing the ECA could be about DM 10bn (£2.4bn) and that Bonn cannot now afford its one-third share of this sum. He called on the industry to

shoulder more of the costs Dr. Sepp Hort, deputy chair-man of Messerschmitt-Boelkow-This bas alarmed the air- eroding Germany's competitivecraft manufacturers, especially ness in both military and civil MBB, which is the main aircraft building. In addition, German concern involved. Dr. 60 per cent of the production Blohm (MBB), bas written to German politicians and ministers that the cancellation of the Hort's letter argues there are economic, rather than simply ECA would have a serious effect on the German aerospace industry and the economy in general. 90 should go ahead. After production of the Tornado multi-role combat aircraft begins to Similar warnings were sounded yesterday by European aerofall off at the end of the 1980s, both MBB and Vereinigte Flugtechnische Werke (VFW) will bave considerable unused pro-The aircraft, known as TKF 90 in Germany, is to be a German-British-French develop- duction capacity, and some ment to replace the Jaguar and 6,000 jobs could be at risk

unless new aircraft pro-

facilities installed to build the Tornado could be used for the new aircraft... The German air force has to choose between four possible options for its 1990s fighter. Itcould develop a national model,

Dr. Hort and other aerospace

executives argue that cancel-lation of the ECA project could

also mean that the experience gathered in such multinational

projects as the Tornado and

lpha Jet would go to waste,

a bilateral project with Britain or France, a trilateral project like the TKF-90 or it could buy the planned F-18L from the U.S. The real economic cost of buying the F-18L would be some DM 2bn more than a trilateral tank.

business a European aircraft would generate, Dr. Hort claims. A trifateral project would have the edge over a national or bi-national aircraft because it would spread the financial risks and the non-recurring costs more effectively as well as making possible longer production lines. The Defence Ministry has promised a decision within a

year. But the German aircraft manufacturers are worried that hesitation will simply lead to higher costs and will make the purchase of a U.S. aircraft superficially more attractive. The German defence budget

is under intense pressure with the increasing costs of fuel and manpower and the development of weapons other than aircraft,

## Poles face tighter terms for \$500m Euro-loan

said in a somhre review of the seemed to be lacking."

optimism

in the form of a 45 per cent on the wrong course.

onomy yesterday.

The economy was still in a 'We need not yet despair of state of fundamental disponent and financial recognition.

external shocks, he said. Agree- ment deficits was increasing

BY ANTHONY ROBINSON AND PETER MONTAGNON

Karamanlis is set to win

from last week's meeting in years. Even this would bave to Warsaw with the Polish be sweetened with a relatively anthorities say Poland bopes to befty flat fee of around 11 per award a mandate for a \$500m Euro-currency loan by May 28 but faces demands for tighter terms and more detailed information which could set a precedent for future lending to In response to Polish denials

of reports of a large hard currency loan from the Soviet Union, bankers pointed out that Poland's hard currency financing prospects would be improved if, for example, a future borrowing could be in some way with backing from Comecon's International Investment Bank. Since completion of financing for the huge Orenburg gas pipeline, this bank has been practically dormant.

Bankers involved in the new

fund-raising operation will to demand the same aort of meet in London and New York details from other Comecon over the next few weeks to borowers. This would allow approach. Poland is reported to be accking around \$500m for eight years at 12 per cent over Lihor, the Interbank, while bankers feel that acceptable terms are closer to a split rate of other borrowers.

BY OUR ATHENS CORRESPONDENT

THE GREEK Prime Minister,

Mr. Constantine Karamanlis,

appears certain to be elected

President oo May 5. The 73-

year-old leader of the ruling

New Democracy Party re-

ceived 181 votes in yesterday's

second Parliamentary ballot at

which he was the only presi-dential candidate. This is 19

short of the required 200. He

received 179 votes in the first

Only 200 MPs voted yester-

day. The Panhellenic Socialist

Movement again refused to

The third and final ballot on

Monday requires only 180 votes for a candidate to be elected.

New Democracy commands 174

seats but Mr. Karamanlis appears assured of at least

WESTERN BANKERS back of 11 to 11 per cent for seven

But willingness to lend even at the aort of spreads and depend largely on Polish readiness to give more detailed figures on the economy and

Bankers especially want to know the composition of Polisb reserves, more details about the debt repayment schedule, the breakdown between relatively cheap government-backed export and the basis of calculation for Poland's bard currency earning projections.

U.S. banks, in particular, believe that if they can elicit this sort of information from Poland they will then be able Western bankers to eliminate the anomaly whereby up to now, Comecon borrowers bave been granted credits on the basis of less comprehensive information than that expected

### **Dublin** to subsidise mortgages

By Stewart Dalby in Dublin THE IRISH Government is to

subsidise mortgage holders to keep the interest rate at 14.15 per cent. After increases in bank interest rates earlier this month, which meant that e middle-range horrower would have to pay 18.5 per cent on long-term loans, building socieities bave been under pressure to increase their rates if they are not to lse deposits to the hanks.

Instead, the Government is to speed about IE1.5m (£1.36m) each month so that the five main societies can increase the interest rate to depositors by 1.75 per cent to 10.75 per cent. At the moment they offer 9 per

Mr. Sylvester Barrett, the Minister for the Euvironment, asid yesterday that the sobsidy be a temporary measure, constantly under review in the light of changes in interest

rates.

• Ireland's trade gap narrowed by I£50m to I£107.8m in March when imports went up by 11.8 per cent to 1£448m and exports by 27.1 per ceot in value terms to £340m compared with Febru-

Should the trade deficit con-tinne to fall by the amounts seen in March it could bring the balance of payments back within manageable proportions.

### Turkish adviser on Gulf tour By Metin Munir in Ankara

TURKEY'S CHIEF economic adviser, Mr. Turgut Ozal, left

for Saudi Arabia and Qatar yesterday to prepare for fundraising mission in the Gulf by Minister Suleyman Demirel. The Premier hopes to raise loans to supplement credit of some \$1bn (£438m) arranged by the OECD earlier this month. He is also hoping to arrange oil

Reuter adds: Violence erupted in Ankara yesterday as left-wing students and workers protested ever, that the oil companies against a government ban on May Day rallies. Troops and police detained 800 students hetter control, now that their after a gunbattle

# jolts Bonn

An article by the Soviet

wishes of its leaders."

ist agitation."

conflicts. Novosti in Moscow has

denied it anthorised the article, which was written by one of its correspondents. The Soviet broadside bas raised fears among West Germans that Moscow is preparing for a tougher line towarda Bonn in response to the anticipated West German boy-

cott of the Olympic Games in

# Sweden to curb public spending

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

than 11 per cent of GNP for cut the annual growth in their the fiscal year that hegins on

The increase is said to be due for next year.

Government borrowing is the fastest growing: item in the budget. The long-term forecast years. To restore balance to the economy, the Budget Minister,

of GNP by 1984-85.

TIGHT RESTRICTIONS on limit, Mr. Mundebo said. The time to be very tight. In terms Swedish public spending over budget deficit could only be of the broad money supply (M3) the next four years are fore-curbed by attacking expendi- Mr. Bomman foresees a growth shadowed in the revised 1980- ture and, in particular, the of 11-13 per cent in 1980. transfers " to consumers, local The revised finance plan anti-

Local authorities are urged to spending from the current 4-5 July 1.

This is SKR 2.5hn higher then the deficit posted in January.

per cent to 3.5 per cent in 1981, 3 per cent in 1982 and 2.5 per the deficit posted in January. points out that this implies there can be no expansion in services except for children and

The finance plan allows for further increase in Swedeo's foreign borrowing in 1980. In January, the Government but the foreign borrowing requirement at SKr 10-15bn: the new suggests the deficit will climb to finance plan raises this to just under Skr 80bn in four SKr 13-17bn. But Mr. Gösta Bohman, the Economy Minister, aaid industry and local authori-Mr. Ingemar Mundebo, proposes ties abould meet part of their to cut the deficit to 7 per cent long-term capital needs abroad so that foreign borrowing by This would require a reduction of Skr 7hn in 1981-82 and further SKr 16-22bn in due to further cuts equivalent to 1 per be raised from domestic banks. The finance plan underlines

old-age pensioners.

cipates a current-account deficit of Skr 16.6bn, corresponding to 3.4 per cent of GNP this year. This is Skr 4.4bn higher than the estimate made in January and compares with a Skr 10.9bn deficit in 1979.

The long-term forecasts procit to Skr 18.2bn in 1981, followed by a fall to Skr 13.3bn in 1982, but the outcome of current pay talks could upset the fore-casts. A major strike and lockout could occur on Friday.

The Government has assumed 7.5 per cent increase in nom-inal incomes this year, and 6 per cent in 1981 and 1982. But if incomes grow by 10 per cent this year and next, and by 9 per centi n 1982, the current account deficit would be Skr 17bn this year, Skr 19.4bn in 1981 and Skr 16.8bn in 1982.

The revised budget export growth to ze 6 per cent this year, industrial output to rise by 4.5 per cent, and capital investment in industry to increase by

# Last-ditch bid to

avert strike By Our Stockholm Correspondent

MEDIATORS APPOINTED by Brazi the Government were due to submit a compromise pay settle-ment to Sweden's employers and the blue-collar unions' federation LO in a last effort to avert a strike by 100,000 workers 5, 2,  $\tau_{\rm el}$  scheduled to start at midnight  $\tau_{\rm AMLA}$ 

scheduled to describe the second to the seco also responded to a strike threat the strike threat from the seamer's union by Market and passenger ferries

The public sector unions who have had 14.000 key employees

have had 14,000 key employees & Federal also had contacts with their than of mediators yesterday. The strike a strike strike strike strikes by air controllers, harbour pilots religious and customs officials has effectively blocked all airline is the same

But priority is being given to averting the private-sector strike, which could paralyse

# Why North Sea oil companies underestimated costs

BY FAY GJESTER IN OSLO

THE OIL compaoies which have developed Norwegian oil and gas fields to date have, without the North Sea, estimated costs exception underestimated the as of July last year bad risen extent and complexity of their

This is one main conclusion in a report by a Governmentappointed committee studying the sharp rise in offsbore development costs in Norway's part of the North Sea. It echoes the findings of a similar, but less comprehensive, study the UK Department of Energy con-

ducted in 1975. Inaccurate forecasting of the required input of resources (materials and labour) was the main reason wby total costs for completed development projects oo Norway's ahelf, as of July last year, were 178 per cent above initial estimates. Inflation accounted for 48.3 per cent of this rise, and increased resource input (over original estimates) for 51.7 per cent. The committee notes, how-

experience has increased.

developed in Norway's part of the North Sea, estimated costs by only 29 per cent above the original figures. A table in the report com-

paring cost increases on the Norwegien and UK sides of the North Sea shows the pioneer ing developments in Britain's sector proved much more expensive than forecast.

In Norway's sector, completion of offshore platforms accounted for 48 per cent of the before transport offshore. installatioos' total costs. Factors here where the cost of transport, installation, hook-up work, and inaction caused by bad weather. The committee concludes that high priority should be given to reducing the work which must be done on site, and suggests the following measures to achieve this: • Careful project follow-up at

appear to bave costs under Rational dividing up of hetter control, now that their modules, to assist assembly, in-

DEVELOPMENT COSTS IN THE NORTH SEA Cost as of (Sm) 2,614 7,261.2 3,374.8 Norway (completed) 2,626.2 2,418 Norway (in progress) Britain (completed)

module size. Strict size tolerance require-Test assembly, and possibly

teat of equipment functioning, The three-man committee which carried out the study has performed an enormous task. Its report fills two volumes total-ling over 8,000 pages, and took more than a year to produce. Some 60 hearings or interviews were conducted with official bodies and companies in Norway, Britain, the Nether-lands an othe U.S. and consul-

module-building yards to ensure tations and individuals were completion on time.

Rational dividing up of aspects of the study.

Rational dividing up of aspects of the study.

Topics in the first volume in cluding possible increase in clude: North Sea activities — ments—Ekofisk, Frigg. Stat-

a history and general survey (in-Norwegian costs of the working environment law, Norwegian in-

Norwegian" policy. The final 60 pages devoted to a summary of con-

fjord Valhall and Murchisongiving the committee's conclusions on each. The chairman of the fact-finding committee is Professor

Jobannes Moe of the Norwegian Technical University in Trondheim Professor Moe belonged to the three-man group which investigated the half 1977 blow-out on Norway's considerable Ekofisk field. The other set Norwegian oil policy); Nor-Knutsen the state labour by jects and the involvement pro- arbitrator and Mr. January jects and the involvement projects and the involvement of formerly head of the tharmal Norwegian industry; some UK power division of the tharmal fields Brent Barel De UK power division. Norweglan industry; some UK power division of Negrez's fields Brent, Beryl, Forties, state electricity authority and Ninian); wage and price trends now a senior exceeding of 1973-79 and their impact on Norcem, a Norwegian concern offshore costs; and the effect on producing cement and amilding Norwegian costs of the working materials. materials. The Oil Ministry says there come tax rules, Norway's safety requirements, and the "buy are plans to publish the report in English in the faith near future—if not in full, at le

summary form

President Giscard d'Estaing and have to be settled at normal as circumstances permit," in the other government leaders bent over backwards to make

The only small consolation as

President Giscard made it clear hefore be left Luxem-bourg that be would not go through the same sort of exercise again. In future, "technical problems" such as Britain's budgetary contribu-

Dutch central bank attacks

THE NETHERLANDS failed to was not due to a lack of insight further stimulated inflation. By

or an absence of sufficient policy instruments," Dr. Zijlstra said.

make sure that 1980 is not "It was the political will or the ment the problem only became wasted, the Dutch central hank political opportunities which more pressing and more difficult

economic and financial recovery— equilibrium with industry still cians inability to solve the but the sands are running out," not sufficiently competitive on Dr. Jelle Zijlstra, the bank's world markets. Productive came not in support of the wage received in the support of the wage continued to decline freeze imposed earlier this year.

world markets. Productive capacity continued to decline while there were few investments which might have created

agreement on policies by the lng funds other than through unacceptably large increase in Government, employers and the capital market—by the wage costs, he said unions, and on the absence of Treasury to cover large Government.

ment was not reached, bowever, each year and was a further intention of slackening the reig

and external shocks occurred sign that the Netherlands was reins of its policies aimed at

rise in oil prices.

"Our failure to take appropriate measures at toe right time cources for financing and from some sectors for an easing.

lack of political will

involved in technical details. French

French farmers form a notor-In an attempt to prevent rural farmers will he granted a rise

tural policy. But the French hope to work out an arrange-ment with the other countries



WEST GERMAN aircraft manu-

facturers are urgently pressing the Bonn Government to con-

tinue development of the new European Tactical Combat Air-

craft (ECA) despite its beavy

national Air Fair in Hanover.

Phantom fighters in the 1990s.

Defence Minister, said at the ahead.

# Congress begins inquests as Carter considers successor to Vance

Cyrus Vance is likely to speed a potentially damaging Con-gressional inquest on Presi-dent Carter's foreign policy competence, despite strong initial backing by the American, public for the botched hostage rescue mission in Iran, writes David Buchan

er's stap

ean fig

avelli

in Washington. In the immediate aftermath of the popular Secretary of State's departure, the Senate Foreign-Relations Committee yesterday went into closed session to map out an invesfigation of that incident and the failed rescue mission. Armed Services Committees

in both Houses of Congress are due to investigate the reasons behind the multiple technical failures that caused the planned raid to be

Administration officials recognise that the Vance resignation coming so hard on the heels of last Friday's fiasco is most unfortunate. "Everyone with an are to grind will sharpen it on this issue." Mr. Jody Powell, the White House Press Secretary, said this week, referring to Vance's dispute of principle with the Administration over the use of force

Evidently, the President intends to try to counter the impression of disarray at the foreign policy beim by naming a permanent successor to Mr. Vance as soon as possible, perhaps at a Press conference he was due to give

late last night. Mr. Warren Christopher, the Deputy and Action Secretary, has ben atrongly tipped. Among other candidates are Mr. Sol Linowitz, the present Middle East mediator, and Mr. Lloyd Cutler, the President's Legal Counsel.

Confirmation of a successor to Mr. Vance, first in bearings by the Senate Foreign Rela-

tion Committee and then in a vote hy the full Senate, is bound to provide a focos for a thorough going inquest into President Carter's foreign policies, past tacties towards Iran and the future drift.

Opinion polls taken im-mediately after the rescue fiasco became known indicate backing for the President's action by majorities of more than two to one. Interestingly, 65 per cent of those polled in an Associated Press-NBC network survey rejected the suggestion that the falled mission was "one more example of President Carter's luability to handle the joh of the Presideocy. A similar majority approved the attempting of the rescue raid.

Nor, in the immediate wake of the event, has Mr. Carter's standing in relation to his Presidential rivals evidently suffered. But typically, by the record of past incidents such as the Bay of Pigs, one would expect the President's popularity to dip as the implications of fallure sink in.

Mr. Vance has lessened the damage so far by his departure, first by refusing to detail the reasons for his resignation, and second, by persnading his colleagues at the State Department to stay

at their posts. It is possible that some of his closer subordinates at the Department may follow him into private life in the coming weeks and months, but not right now. As basic strategy question

facing Mr. Carter now is whether he will at last take to the campaign trail to buoy np his renomination bid. On Monday, be visited a Texas bospital to see injured survivors from the Iran mission his first proper trip outside Washington since the capture of the hostages. The visit was humanitarian in nature, but Texas has a Presidential primary this Saturday.



Mr. Cyrus Vance: "I could not support the difficult decision . . . on the rescue operation in Iran?

place in many of the closed

A voice of patience and diplomacy in a troubled world

CYRUS VANCE, it was always with Moscow because it served Vance's acting successor, Mr. and Mr. Christopher a leading log the charred limbs of U.S. said, was the ultimate in self- the end of co-existence. But Warren Christopher, the deputy member of the unique frater- servicemen killed in Irao last effacement: the sort of man who SALT-II now lies, like Mr. Vance accretary, is in many ways a nity of Washington "superiaw- week. That is a deep provocacould walk on a soft, sandy himselw, in the debris of beach and leave not a footprint quondam verities, the victim of to mark his passage. But in events beyond his control. departing the Carter Adminis- To many inside and ou tration, on Monday in protest the country, as well, the other over last week's aborted mission side of the Vance equation is

into Iran, after three and a half hone-wearying years as Secregaping void, both in the personal qualities he brought to his sonal qualities he brought to his job and, even more, in the logue, not the pragmatist, as the world, he had come to represent with consistency.

this country, Mr. Vance was the events swept him aside, a rock of Mr. Carter's government, match for Dr. Brzezinski. Once, the emhodiment of the timehonoured virtues of diplomacy Carter to make an official proand patience, a man who helieved not in changing the world but in adapting to circumstances and making it a more peaceful place in which to live.

The central manifestation of this was his conviction that the U.S. and the Soviet Union, the The great f two anperpowers, simply had to find an acceptable level of co-

personified by Dr. Zhigniew philosophy which, in a turbulent hard-liner, not the accommodator. Skilled in the ways of hureaucratic in-fighting, Mr. To many, inside and outside Vance was, until the tide of last year, he even got President nouncement that the Secretary of State, not the National Security Adviser, was the only U.S. spokesman on foreign policy, apart from Mr. Carter himself. It was not an insigni-

The great fear, now that Mr. existence. He always considered influence will switch coo-hearing a non-Brzezinski, non-his greatest triumph the negotia-chusively to the National Georgia voice, in the person of tion of the Strategic Arms Security Adviser. The trepida- bis special counsellor, Mr. Limitation Treaty agreement tion may be overstated: Mr. Lloyd Cutler, like Mr. Vance

To many inside and outside hone-wearying years as Secre-Brzezinski, President Carter's tary of State, he has left a National Security adviser. He gaping void, both in the per-ia seen as the confrontationist,

Vance clone, quite, efficient and persistent.

But it must be noted that Mr. the raid into Iran, which could imply either a ganerally harderline approach, or that he is less able to withstand the reletless Brzezinski approach that Mr.

But Mr. Cbristopher will he presiding over a State Department which, no matter how passing of its leader, has gained weight and authority since the Kissinger years, when power resided not so much in the department as in the hands of one There is also the distinct pos-

sibility that Congress, mistrust-ful of Dr. Brzezinski io any case, will seek to insert itself yet more intrusively into the foreign policy arena. Moreover, inslda the White Vance has gone, is clearly that House, there is plenty of evithe halance of foreign policy dence that the President is coo- hearing a non-Brzezinski, non-

yers," as versed in the arts of diplomacy as in the courts. Mr. Hamilton Jordan, the President's iconoclastic Georgian Chief of Staff, is reported to be so in awe of Mr. Cutler that he calls him "sir." Dr. Brzezinski's victory, therefore, may turn out to be more apparent than real
although it is only natural
that everyone should assume he is In the ascendaot.

What really worries some in Washington, however, is that Mr. Vance may have resigned not merely because he opposed something which has already taken place—last week's mission
—but because he cannot support what he knowa is about to take place: that is, further military operations against Iran.
American foreign policy consumed as it is with the confrontation with Iran, seems sometimes to he swept along on the irresistible tide of uncontrollable events. It would be hard, for example, to under-

estimate the national sense of

television pictures, no matter

caused hy the

revulsion

week. That is a deep provoca-tion, felt as much in the White House as in the heartland of America, and few in Washington now possess the tolerance towards such acts that was Mr. Vance's trademark.

It is worth pointing out, too. that, despite the Soviet invasion of Afghanistan, Mr. Vance was trying to keep lines of communication opeo with senior levels of the Kremlin.

He had heen trying, unavailingly, to obtain Presidential permission for a meeting with Mr. Andre Gromyko, his Russian counterpart, presum-ably because Dr. Brzezinski argued against it. Certainly, public opinion seems to favour the tough, even belligerent, tack towards Iran, Moscow and even the allies, if they are seen to be dragging their heels, than the conciliation so indelibly indelihly associated with the former Secretary of State. If tongness means electoral success, it is a powerful inducement.

That Mr. Vance should resign over the abortive raid into Iran -he told the President he would

symptomatic of the demise of tion. Any analysis of his considerable and lengthy career, replete with frustrations as well as soccesses, leads to the irresistible conclusion that he was a bnilder of bridges, often out of straw not hricks, rather than a destroyer of edifices.

The catalogue of Vance missions under three Presidents spans the globe—Panama, the Dominican Republic, Cyprus, Vietnam both in Saigon and for the first Paris peace talks). Under President Carter, they embraced, the Panama Canal treaties, a central role in the Middle East, and strong support for the new U.S. approach to Africa, Mr. Andrew Young, the former UN Amhassador. It also included some sethacks-disillusionment with the Vietnam war, unhappiness at having to sack Mr. Young, and most recently taking the hlame for the controversial vote against Israel in the United Nations last March.

quintessential many how tastefully edited, of do so regardless of whether it example of Cyrus Vance, the White House deliberations on the harm his departure had Ayatollah Khalkhall hrandish-succeeded or not—is graphically team loyalist. In hindsight, Iranian policy and, on April 11, caused

however, it was the beginning when Mr. Carter ordered the of the end of his reign as Secre-tary of State. He had said in was significant that Mr. Vance 1979 that he would not serve a was on holiday and that Mr. second term in office if Presi- Christopher supported

dent Carter was re-elected (he rescue attempt. argued that staleness was Yet, as his letter to President inevitable after four years), but Carter demonstrated, he left as Yet, as his letter to President never before had he been so an honourable man, with his sharply rehuffed by the domestic politicians running the Carter campaign. In the weeks agreed with bim — Senator that followed, particularly as Henry Jackson, for example. the UN negotiating effort in who always thought Mr. Vance To accept the hlame for that Iran, which be strongly sup- too soft on the Russians—were lack of "instruction" was to ported, came to naught, his rushing yesterday to praise his qualities and to contemplate

# Chrysler awaits decisions from crucial meetings on loans

BY IAN HARGREAVES IN NEW YORK

CHRYSLER, ON the eldge of a the Loan Guarantees Board— pect of emerging as a viable the U.S. and Canada would authorise the first injections of board to meet in public. The Board has decided motor company

In Washington, the Chrysler ment until a permanent court loan guarantees hoard went into ruling is made on May 8, but its session to consider qualified meeting was put back to allow recommendations from various lawyers to consider the situation. Government Departments that it should give the green tight heavily slimmed-down Chrysler to receive \$1.5bn (£657m) in loan guarantees.

At the same time, announcements were expected on injec- workers, lenders and others tions of funds from the Government of Canada and from the aid legislation passed by State of Michigan. Chrysler bas Congress at the end of last year State of Michigan. Chrysler bas major manufacturing facilities

The crucial decision—that of

Brazil metal

workers vote

By Rik Turner in Sao Paulo

BRAZILIAN metalworkers on

strike since April 1 voted to

continue their action yesterday, at mas meetings held in the church in the Sao Bernardo

At the same time, they called

fora May day march from the

church to the local football

stadium where strike meetings

were held until forbidden by the Federal Government.

Bishop of Sao Bernardo, told

the strikers of the solidarity

of all churces in Brazil for the just demands of the people."

The Church has given use of its

premises for union purposes

since the Government inter-

veaed in the activities of the

two striking union on April 17.

and has been the oject of criti-

cism by President Joao Figneiredo, who accused "some

Some 17 of the workers'

priests" of leading the strike.

Claudio Hummes,

industrial zoneo f Sao Paulo.

to stay out

cash crisis, was boping yester. was delayed for 24 hours after a company in the longer term. day that a series of meetings in successful court action at the end of last week by a consumer

.The Board has decided it does not need to observe this require-The Board will have hefore it

separate documents for signature hut essentially two decisions are involved: whether the \$2hn Chrysler has assembled private commitments from meets the terms of the Chrysler and whether the Board feels that Chrysler, granted Government aid, has a reasonable pros-

BY KIM FUAD IN CARACAS

LABOUR and management

problems are threatening to

undermine Venezelan efforts

to tap low-cost electricity from the Caroni river. The

electricity would he used to

help expand steel and aluminium output in the country's south-eastern indus-

Brasven, the Brazilian-Venezuelan group that won the \$1.1hn (£482m) eivil engineer-

Ing contract for raising the Guri Dam from 2m to 9m kilowatts, is accused by the Venezuelan Engineers' Society

of being responsible for the 21-month delay.

strikes and absenteeism among

the 10,000-man workforce are

the cause—though the company

admits to being one year behind

schedule in the Guri expansion.

warn that unless working

Venezuelan lahour leaders

But Braseven says wildcat

trial centre of Guayana.

project hit by delays

. There seemed little doubt group which sought to force the manship of Mr. William Miller. the Treasury Secretary, would respond affirmatively to these questions, alhtough some degree of latitude will be required in interpreting certain aspects of

It is possible that the Board will approve the plan in principle hut will require certain additional conditions and details to be worked out after loan guarantees are authorised.

Such guarantees would not be immediately available after authorisation, but the official approval of the Board would he sufficient to unlack other comfinancial plan.

the words of the leader of the construction workers, Sr. Juan

missioned by the Government

recommended in Fehruary that

outside help he hrought in to assist Brasven. This, it was

said, should come from among

the original hidders for the

scheduled to reach 9m kilowatts

hy 1987-affects plans to raise ateel output to 5m tons and

aluminium to 400,000 tons in

electricity shortages for the

country in future. Venezuelan

electric power development

plans call for installing over 28,000 mw by the end of the

century, hydro-electric projects

are supposed to provide 70 per cent of this. The alternative is

greater reliance on thermo-

electric plants using foel oil,

Venezuela's main refined oil

The delay in expanding

Guri project-originally

technical report com-

Негтега.

Guayana.

could

# Our task is to ensure that all our businesses produce attractive profits on the capital they employ

Summary of results

Profit before taxation

Profit before taxation

Profit after taxation

attributable to ordinary s

of which:

ettributable to Rooker McCome

earned by overseas companies

Earnings per ordinary share:

earned by United Kingdom companie

Extracts from the Statement by the Chairman, Michael H Caine

### Venezuela hydroelectric Trading Performance

We faced hard trading conditions in 1979. The road haulage strike, the engineering unions' intermittent stoppages, the restraint on Government expenditure, the strength of sterling and high interest rates all bad their particular effects and placed heavy demands on management.

The Engineering Division fell back by 36%. Fletcher and Stewart made satisfactory profits from past contracts, but at the end of the year was still seeking new turnkey projects. Fletcher Sutcliffe Wild now looks to 1980 for acceptance by the National Coal Board of its new generation of roof supports. SPP Group made reasonable profits in the face of restricted public expenditure in the UK.

The rest of the Group moved ahead by 28%. The Food Distribution Division improved its performance and secured cost reductions in warehousing, delivery routes and administration. This encouraged us to take the major step of acquiring Kearley & Tonge.

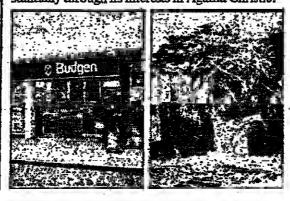
The Spirits and Liqueurs Division performed well. But largely due to the strength of the pound, Tia Maria paused in its earnings growth, although volume sales increased.

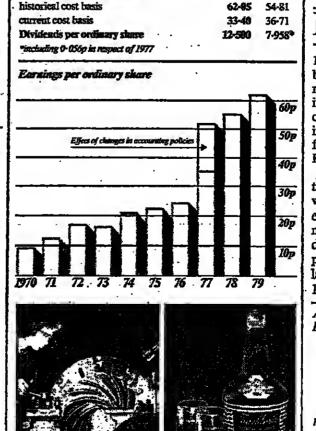
The Health Products Trading Division had mixed fortunes: the UK showed attractive growth but American Dietaids' contribution was badly affected by intense price competition in the United

In adverse circumstances, the Overseas Trading Division and the Shipping Division increased their profits.

The Agricultural Division maintained its profit with welcome new contributions from salmon fairning in Scotland and from management

The Authors Division improved its profit sub stantially through its interests in Agatha Christie.







1979 £000

669,905 587,675

25,008 24,509

21,789 21,589

19,667 19,976

2,122 1,613

19,358 17,025

1978 £000

### Development

Our task is so to shape Booker McConnell that all our businesses produce attractive profits on the capital they employ whilst at the same time seeking out new investments which lie in real growth markets and disposing of those businesses in which there is no satisfactory real profitability or growth.

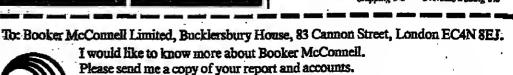
We aim to achieve the right balance between securing profits now and for the future.

### Prospects for 1980

1980 presents many difficulties. Some of our businesses will produce higher profits. Our overall results will be determined by the success we attain in engineering, where we need to strengthen our order books, and by the progress we make in improving efficiency through rationalisation in food distribution following the acquisition of Kearley & Tonge.

The success of Booker McConnell depends on the energy, knowledge and enthusiasm of all who work in the company. High productivity and efficiency can only be achieved in an atmosphere of mutual respect and understanding. We are facing difficulties common to many UK companies at present but management is strong and we operate largely in markets which will have growth in the

Analysis of profit before taxation attributable to Booker McConnell



Booker McConnell Limited

### conditions are improved in the leaders have heen imprisoned. remote jungle site. 460 miles from Caracas, "there won't he since April 19, including Luis Inacia De Silva, president of the Sao Bernardo Union any dam for many years," in export. Cronkite denies political aims

MR. WALTER GRONKITE, the honoured to be asked. I woudn't celebrated television newscaster, yesterday flatly denied well-documented reports that be would accept an invitation to run as Vice-Presidential candidate on the independent ticket headed by Mr. John Anderson.

Mr. Cronkite, who public opinion polls have found to be the most trusted man in the country, said in a statement that a conversation he bad had with his voice, he can convey so the New Republic magazine bad approval or disapproval of items a been "misinterpreted" hy the in the straightforward news reporter concerned. "I bave reports he reads each evening. no interest in entering politics

in any capacity," he said. Intense speculation had been was copiously quoted as saying a harbinger of subsequent the following: "I'd be so public reaction to events.

turn it down. It would be the right party.

step down after a 20-year stint "anchor-man" for the CBS national evening news at the start of next year.

His influence on opinion bere is not to be Away") Lemay in 1988 being underestimated. By a flick of his eyebrow or an inflection in

It is often, said that in the Carter Administration is set off by an article in the New susceptible to Mr. Cronkite's Republic, in which Mr. Cronkite interpretation, considering bim

Mr. Anderson well knows he neds an attractive running mate if bis independent candidacy is Mr. Cronkite, an avancular to be viable. Previous bids for figure in his early 60s, is due to the Presidency from ontside the two main parties bave often been laid low by farcical choices for the Number Two spot—George Wallace's picking of General Curtis ("Bombs

a prime example. Most polls give Mr. Anderson something like 15-20 per cent in three-way contest with Mr. Carter and Mr. Reagan-though there is the suspicion that this total would diminish as the grappling with the Iran crisis, hation focuses on the two principal contenders.

Mr. Kondracke aaid yesterday that be bad not cajoled the above comments out of Mr. Cronkite,

IRAN'S Foreign Minister, Mr. left tha Foreign Minister's ing a message of friendship and Sadeq Qotbzadeh, escaped bullet-proof car unscathed but understanding from the unhurt yesterday when gunmen hit a car ful lof security men. Iranian people. The main puropened fire on his car in Kuwait.

According to officials no one pose of his tour is believed to The assassination attempt came at the start of a two-day visit witnesses one security man the even of any worsening of its to the sheikhdom.

In an immediate reaction to the incident, the authorities gunmen escaped, leaving arms temporarily closed Kuwait's in their abandoned cars. Later, land frontiers and its interna- reports said several arersts bad. United. Arab. Emirates and tional airport

So far there has been no heighten tension in the Gulf evident here over the confrontation between Iran and Iraq and the hostage crisis with the U.S. The attack occurred as Mr. Qotbzadeb and his delegation palace at the start of a day of

official Kuwait news agancy said bullets were fired from two cars parked at the Monday evening on the third roadside as the Minister's leg of his tour of Arab states, any firing occurred and said the force and the Iranian armed motorcade passed. The attack Mr. Qotbzadeh said was convey-

received bullet wounds. The twin external threats. news agency said the unknown been made.

Although there is no official comment on the attack evidence yet as to who was which has said Iran was behind recent assassination attempts on with two fighter aircraft from prominent Iraqi figures.

ruling sect in Iran.

was burt, but according to eye ba to rally support for Iran in

Although he will receive a gunmen escaped, leaving arms sympathatic hearing in Kuwait and at his other stops, in the Bahrain, it is unlikely that Iran will receive any official backing. Simon Henderson reports will undoubtedly responsible for the attack, reports from Tehran: Iran suspicion will inevitably fall alleged yesterday that one of its and the nervousness already first on neighbouring Iraq, aircraft was fired on during an encounter in the Gulf of Oman

the U.S. naval task force there. Iraqi agents are believed to The incident, which was said operate covertly in Kuwait and to have taken place at midday The incident, which was said were driving from their state have ben blamed for the kid-yesterday, apparently ended guest house to the Emir's napping in recent months of when four Iranian air force airseveral members of the Shl'a craft scrambled in support of Moslem clergy, affiliated to the the first aircraft. As they approached the two U.S. aircraft



C-130 Hercules transport, which was intercepted by two F-14 fighters when it came within 50 nautical miles of the U.S. aircraft carrier Nimitz.

(£57.5m) in 1978 to Kwacha

164.6m (£89.5m) last year. The

causes were primarily the soar-ing price of imports, particularly

prices for tobacco and tea, Malawi'a principal exports. Con-gestion on Mozambique railways and at the ports of Beira and

Nacala, Malawi's only bulk trade routes before the Zim-

babwe settlement, also severely

disrupted imports and exports, precipitating a fuel crisis at the

end of last year, when oil imports almost stopped.

The International Monetary

Fund has agreed that the credit

squeeze in Malawi—a limit on

commercial bank advances, com-

and relatively stagnant

The current account deficit on sures suggest a determination balance of payments to deal with the root causes of

widened from Kwacha 105.7m the problems. Last month's

credit squeeze



Mr. Sadegh Qothzadeh (left), Iran's Foreign Minister, who escaped a hail of bullets in Kuwait yesterday

rescue mission of the hostges failed last Friday. Iran has claimed that it has kept the task force under surveillance since it took up position soon after the hostage crisis began last November. It is not clear why a C-130 should be used for

aector spending, which still expanded last year despite the

He has also allowed a major state-related business, the Spearhead Group run by the

rnling Malawi Congress Party'a

to continued heavy capital ex-

projects, incloding the pres-tige international airport at

Lilongwe, the new capital, and

continuing reliance on inter-

national soft loans is a necessity

spelt out in the budget. A

major source of loans is likely

to be the European Community

and an agreement to provide

Kwacha 95m (£51.6m) over the

next five years was signed in

Malawi at the weekend by Mr.

Maurice Foley, the European Commission's deupty director-

Asian bank

starved

of funds

overdue.

Committed

another mission.

The Iranian report indicates copter services between the rig and Kharg Island because a desire to prove that its armed forces are at a high degree of readiness, despite lack of spares for U.S.-built aircraft and the general low morale believed to exist as a result of revolutionary purges.

Two Iranian aircraft were scrambled from the Bandar Abbas air base which controls the strategic Strait of Hormuz and two more followed within three minntes. The U.S. aircraft broke off contact 20 minutes after the incident started as the other Iranian aircraft, probably F-4 Phantoms. Mary Frings in Bahrain

reports: The National Iranian Oil Company is drastically cutting down services at its Kharg Island terminal — the major outlet for Iranian oil from its three relay stations in exports capable of handling tan-

In Bahrain, the shipping agents Gray Mackenzie, who supply a number of tigs to NIOC for berthing tankers, were also informed that for operational reasons their tugs were no longer required.

7 am local time.

A pilot who flew over Kharg Island on Friday said that only ona ship was alongside, an empty Japanese tanker. Iran last week cut off Japan's oil supply.

of an offshore oil rig advising

them of the cancellation of heli-

operations were ceasing as from

Kharg Island is reported to have the equipment to load at the rate of 6m barrels in 24 hard on the news of the withdrawal of Decca Navigator staff Iran. The Decca navigation kers up to 500,000 deadweight, system is therefore no longer The company sent a message available to tankers in the on Monday to the U.S. operaors . northern Gulf.

### Dampened hopes for autonomy negotiations

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By David Lennon in Tel Aviv and

THERE IS little optimism in Israel or Egypt that agreement can be reached in the "intensified." negotiations on Palestinian antonomy which begin at Herzilya north of Tel Aviv, today despite the May 26. deadline set for them a year

Or Mustapha Khalil, Urime Minister, is heading the Egyptian delegation in the talks with the Israeli team beaded by Mr. Yosef Burg. Israeli Minister of the Interior, in conjunction with Mr. Sol Linowitz, President Jimmy

special envoy.
So far the Palestinian inhabitants of the West Bank and Gaza Strip have refused to have anything to do with the negotiations undertaken on their hehalf and as yet there is no prospect that they would endorse an agreemant even if one is reached by the deadline.

At thet same time the talks have not grappled with the substantive issues about the range of powers to be given to the proposed self governing authority as these touch on fundamental differences or con-

cept between Egypt and Israel. Israel originally proposed the autonomy plan as a way of retaining military control over the occupied territories, while handing over the responsibility for running their daily lives to the 1.2m Palestinians in the West Bank and Gaza Strip.

Refusing to give the Pales tinians - any legislative or judicial powers, Mr. Menahem Begin's Coalition Government insists that they be permitted to establish only a small administrative, council with limited powers for running local education, health and

refugee issue to be resolved: It has around 150,000 refugees in camps along its border with Kampuchea. Tony Walker reports from Peking: China has warned the

ASEAN states to ignore Vietnamese attempts to establish a dialogue with them. A com-mentary by China's official news. service yesterday claimed that Hanoi's proposals for talks with ASEAN was intended to provoke dissension in the association's ranke. Vietnam, it said, was using pressure to persuade ASEAN to accept the military occupation of Kampuchéa as a

Thailand's · Prime failed to convince UN officials has called for an inter or leaders elsewhere in the world that sufficient common ground exists to make a compromise possible or a confer-

But they have so far

meet late last night to vote on the ASEAN proposal. Thailand has particularly strong reasons for wanting the

social services.

Israel is also adamant that
if will retain control of the external and internal security for the territories, permitting only a small local police force to deal with civilian matters. It also claims the right to continue building Jewish settle-ments on the West Bank and

in the Gaza Strip.

Egypt wants the Israelis to share internal security with an snare internal security with an Arab force, probably with tha Egyptians in Gaza and the Jordanians on the West Bank. It also opposes the establishment of Jewish settlements there as does the U.S. In the last research the most sensitive last resort, the most sensitive issue in dispute is the future of Arab East Jerusalem which was captured and amered by Israel in 1967. The Egyptians insist that the 100,000 Palestinians living in the city must at least be given the right to vote in the elections for the autonomy self-rule body. This s totally opposed by Mr. Begin's

Government. President Anwar Sadat of Egypt has warned several times resulted in a fall of the average in the past month that unless progress is made in the talks by Rice ontput in Vietnam the May 26 target date then a (north and south combined) "new situation" will have been rose from 10.5m tounes in 1975 created

He does not believe that the resignation of Mr. Cyrus Vance as U.S. Secretary of State will bave any effect on the American role in today's negotiations.

### back to 10m in 1978. There is the Government in Hanoi bas believed to have been no increase last year and prospects for this year are poor.

Lop off the branches, now! From 25th April the US/UK Double Taxation Treaty means A.C.T. can be refunded to resident subsidiaries of US corporations but not branches. Our

to 12m tonnes in 1976, but feli

specialists will form the company of your choice. To take advantage of these concessions immediately. contact our International

AN HOUSE, BRUNSTY DOR NI SEE PHONE: 01 253 3000 TELEX: 261010

### ence worthwhile. the return of over 150,000 refugees to Kampuchea. The ASEAN initiative evi-Speaking in Jakarta at the dently came in New York on Friday at a meeting of the UN Economic and Social Committee. weekend, at the end of an inaugural tour of south-east Asian The committee was expected to

Thailand call for

Kampuchea talks

Young Pioneers, to be placed under judicial management. However, Malawi is committed

capitals, General Prem aaid be boped a meeting would be beld in Geneva under United Nations auspices on or around May 27. He hinted that representatives from the Vietnamese-backed Heng Samrin regime might

GENERAL PREM TINSULA-

Minister, has called for an inter-

national conference that may form the basis of a political

settlement leading eventually to

General Prem, nevertheless, contradicted recent speculation that the Association of South East Asian Nations (ASEAN) a gronping which comprises Thailand, Malaysia, Indonesia, Singapore and the Philipinnes - was moving towards any accommodation with Vietnam which might involve recognising the Heng Samrin regime.

ASEAN leaders bave been pressing for some time for an international conference to discuss the bumanitarian problems

# arising out of the Kampuchean fait accompli-Hanoi admits difficulty

in feeding population

BY DAYID HOUSEGO

MEASURES announced by Viet put and of productivity have nam to boost food production contain one of the frankest grain ration per person. They admissions to date of the increasing difficulties the regime' is facing in feeding its own population.

As an incentive to farmers.

announced a five-year freeze on

The U.S. delegation, beaded by Mr. Deane Hinton, Assistant Secretary of State for Economic and Business Affairs, will come under beavy pressure this week to meet its obligations to the

But with the U.S. suffering from what one official here des-cribed as "aid fatigue" and with Congress blocking the Carter administration's funding moves, the bank's concessional lending could dry up before a solution is found.

By the end of last year, the Manila-based bank had only US\$9m (£3.9m) of uncommitted balances left in so-called Asian Development Funds which are used for concessional lending. It has since committed itself to \$22m in such loans to Pakistan, Bangladesh and Laos, but it has insufficient resources to make

Until the U.S. makes its contribution, other countries are also delaying their second tranche contributions to the second fund replenishment. which totals some \$2bn. It is designed to carry the bank through from 1979 to 1982. The U.S. is due to contribute some 22 per cent of this total and Japan, the most powerful voting and subscribing member, some 33 per cent.

### Maldives coup attempt disclosed to assembly

THE PRESIDENT of the small Indian Ocean republic of the Maldives, Maumoon Abdu Gayoom, bas told the legislative assembly of an abortive plot to assassinate him and other senior officials earlier this year, Larry Klinger reports from Male.

In a speech to a special latenight session of the assembly, the President said that at least nine foreigners had been bired in February by Maldivians close to Mr. Ibrahim Nasir, a former President. Mr. Nasir is in selfimposed exila in Singapore fol-lowing allegations of misapropriation of funds.

The President said that the evidence implicated a known member of the Irish Republican Army, British security and an embassy in Sri Lanka. The former British protectorate is a 400-mile-long group

of atolls south-west of Sri Lanka and has a population of about 150,000. both the agricultural tax and on the amount of grain cooperatives are obliged to sell the state under "two-way con-These are harter tracts." agreements on the hasis of which co-operatives purchase agricultural inputs and con-

sumer goods. The new measures come at a time of reports of another disastrous barvest in Vietnam because of drought. It is also beliaved that the Russians have told Vietnam that they will have to restrict grain deliveries because of the U.S. embargo on

grain sales to the Soviet Union. The Council of Ministers, announcing the new measures, said that in recent years decline in both the volume of grain outTel: 01-253 3030

NOTICE OF REDEMPTION To the Holders of

# ENTE NAZIONALE IDROCARBURI

(National Hydrocarbons Authority)

63/4% Sinking Fund Debentures due June 1. 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on June 1, 1980 at the principal amount thereof \$697,000 principal principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits: 16 21 34 42

Also Debentures of \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers: 3450 4450 5150 5350 5650 6650 7350 8050 8750 9950 12150 12360

On June 1, 1980, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algement Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Linxembourgeoise in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatered coupons appartment thereto. Coupons due June I, 1980 should be detached and collected in the usual menner. From and after June 1, 1980 interest shall cease to accrue on the Debentures herein designated

> ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY

OF NEW YORK, Fiscal Agent

NOTICE The following Dehentures previously called for redemption have not yet been presented for pays

DEBENTURES OF U.S. \$1,000 EACH

### Malawi economic problems lead to shake-up THE UPPER echelons of both Malawi's government service and the country's state corporations have been reshuffled in recent weeks by Dr. Kamnzu Banda, the life President, in

response to Malawi's economic difficulties. The chairman and top executives of a string of state corporations, including the Malawi Development Corporation. Malawi Railways, Air Malawi and the Export Promotion

### **Budget speech**

Conncil, bave been transferred,

retired or dismissed.

Gen. G. G. Matewere, a longserving Army commander, was also retired two weeks ago. The sbeke-up follows Dr. Banda's nnprecedented attack last month on mismanagement in the public service in his speech opening the budget session of

Dr. Banda's speech gave some indication of the difficult economic outlook when he said southern region. He warned

The congress will follow a

People's Congress in August and

both meetings are expected to

endorse further changes at the

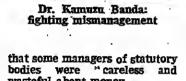
top of the party and state

Colina MacDougall adds: The

New Issua

of the National

make way for it.



wasteful about money. **Consultations** 

"I want to warn everyone

statutory bodies are doing very

Plan to cover 1981-90. The con-

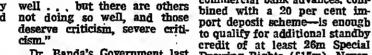
behind the present leadership,

CHINA will bold its 12th announced after the Central taka the current three-year eco-officials that present policies

stitutional changes are thought recently that the Plan would

Xiaoping, the driving force steady economic growth. The

Commission,



Dr. Banda's Government last year introduced tough economic measures, in consultation with the International Monetary inflation was causing concern, that whether they keep their Fund, to correct a growing and that a severe drought had jobs or not depends on their balance of payments deficit and hit but staple maize crop in the performance. Some of the curb soaring bank credit to the

credit of at least 26m Special Drawing Rights (£15m). Nevertheless, the strict measures could bave drastic effects on business, particularly tobacco estates bit by a further drop in

prices this year.

President Banda's latest mea-

general for development China to hold party congress this year

National Party Congress later
this year, instead of early in 1981. Important gatherings bave less later this period of February, will discuss a devision of the Party's constitution final year. The minister in mittee will be elected from a and the outline of an economic charge of the state Plaining large number of chosen dele-By Anthony Rowley in Manila THE ASIAN Develo gates, it is expected to reflect today begins its 13th annual the views of Vice-Premier Deng. meeting in Manila and faces the Before the congress. Party danger that its concessional members recruited since the Cultural Revolution, who make lending will dry up unless the United States comes forward with a contribution to the funds which is four months

likely to affect the position of concentarta on agriculture, Chairman Hua Guofeng, who inherited his post from Chair-cations, culture, education and man Mao. Vice-Premier Deng science, and would aim for up about balf-the Party, are to have their credentials Chioese bave apparently opted reviewed. Requirements for party membership may also be tightened. These factors may is thought to prefer a candidate of his own choice to preside over modernisation policies.

for long-term planning both for such oil and power projects where investment will take years where investment will take years cause some conflict at party The 10-year Plan will over to pay off and to reassure grassroots.

This advertisement appears



### **EUROPEAN INVESTMENT BANK** Luxembourg

DM 100.000.000 94% Deutsche Mark Bearer Bonds of 1980/1986

DM 200,000,000 91/2% Deutsche Mark Bearer Bonds of 1980/1990

Offering Price: 100 %

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Vereins- und Wa

91/4% p. a. and 91/2% p. a., respectively, payable annually on May 1 May 1, 19BB end May 1, 1990, respectively Frankfurt am Main, Berlin, Düsseldorf, Hamburg and München

> **Deutsche Bank** Commerzbank

> > Badische Komm

**Westdeutsche Landesbank** 

Dresdner Bank

Girozentrale

Bank für Gemeinv

Serfiner Handels- und Frankfurter Bank

The Export Credits Guarantee the Export Credits Guarantee epartment (ECGD) will no Department of requiring fixed

Rolls-Royce

wins Air NZ

By Dai Hayward in Wellington

THE NEW ZEALAND Govern-

ment bas rejected a recommen

datioo from Air New Zealand

to buy General Electric engines

for its new fleet of five Boeing

747s and instead has decided in

favour of the RB-211 Rolls-Royce Dash 524 engines. The

deal is reported to be worth

Air New Zealand was given

approval two wacks aga to re-

place its DC-10 fleet with Boeing

747s and an order for five air-

craft was placed. Air New Zealand favoured General

Electric engines but the New Zealand Cabinet bas accepted arguments put forward by a

about \$NZ 100m (£43m).

engine deal

# Washington settles dispute over Japan TV dumping

BY DAVID BUCHAN IN WASHINGTON

THE CARTER Administration He said the U.S. Government just before the arrival of Prime some 50 cents on the dollar. Minister Masayoshi Ohira bere

The Commerce Department announced on Monday night that major importers had agreed to pay the U.S. Govern-ment \$75m to \$77m, and this would close the case without the companies admitting dumping. The U.S. Treasury ruled the TVs were being dumped back in 1971—sold at less than home price and injuring U.S. producers—but dumping duties were never collected.

Of the overall settlement, \$66m is for dumping duties and payments are being made by such major manufacturers as Mitsubishi, Sanyo, Toshiba and Nippon Electric as well as by Treasury, four big U.S. importers—Sears There is Roebuck, J. C. Penney, Montgomery Ward and White Stores. These last four are also to pay between \$9m and \$11m in settlement of civil penalties for

has settled one of the longest- had reckoned the maximum running dumping disputes, in- amount it could have gone to volving the import of \$2bn court and won from the (£896m) worth of Japanese ele- importers was \$138.7m, and vision sets over the last decade, thus the Government had won

But U.S. manufacturers, in particular, the Committee to Preserve Amarican Colour Television (COMPACT), has claimed the importers were liable for much more, nearly \$700m, in dumping duties, and yesterday attacked the settlement as a

attacked the settlement as a sell-ont.

Mr. Charles Vanik, who chairs the House of Representatives Trade subcommittee, also criticised the Commerce Department for being soft on the Japanese and as "poor payment for the destruction" of the U.S. industry.

The Commerce Department has been anxious to shad itself

has been anxious to shad itself of the backlog of dumping cases which it inherited from the

There is a general impression here that with the Commerce Department anxious to make a fresh start, the Japanese bave

come out well.
In a further concession the improper invoicing.

Mr. Homer Moyer, Commerce any future dumping duties that Department general counsel, might arise on the basis of described the settlement as "on wholesale prices in the Japanese very fair terms for the U.S." wholesale prices in the Japanese

## Tokyo 'to remove car part tariffs'

TOKYO-The Japanese Government bas tentatively decided to remove tariffa on imported car parts to soften U.S. criticism about lopsided automobolle trade between Japan, and the U.S., Kyodo News Service said yesterday.

Japan is to notify the U.S. Government of the "drastic" plan by today after a final meeting of officials from the Finance, International Trade and Industry (MITI) and Foreign Ministries.

Under the plan, Japan's 10.4 per cent import tax on foreign-made chassis and its average 5.3 per cent fees on other car parts, including engines, will be reduced to zero, effective from next April, the news agency said.

The Government step was taken following negotiations in Tokyo last week between Japan and the U.S. on reducing Japan's duties on imported car parts, now 1 to 2 per cent higher than those of the U.S.

The U.S. side, led by Mr. Stephen Lande, assistant presidential representative for bilateral trade affairs, pressed for the conclusion on a agreement before Prime Minister Ohira's visit to Washington tomorrow.

# EEC to act on U.S. fibre imports

ECGD changes foreign currency policy

BY GILES MERRITT IN BRUSSELS

parallel actions against U.S. after a formal complaint to the polyester and acryic fibres that Brussels Commission at the end coud cut the booming and con- of last week by the Paris-based troversial American trade to CIRFS, the organisation which Europe of synthetic textile fibres gronps Europe's 11 giant fibre-

The nine EEC member Governments are now being advised that on May 5 the European Commission is to launch an anti-dumping probe against U.S. polyester filament foreign ministers on the imposi-yarns, both flat and textured, tion of Community-wide antiand it is expected that within a and it is expected that within a dumping duties on U.S. acrylic matter of weeks provisional antifibres for an indeterminate dumping duties will be imposed.

Department (ECGD) will no

longer insist on exporters

financing large, specifically guaranteed overseas contracts

in foreign currencies under its

However, because of the "im-

portant competitive advantages"

for exporters of financing in foreign currencies, the ECGD's facilities in this field will con-

Mr Cecil Parkinson, Minister

for Trade, announced the move yesterday in a written answer

tinue to be available.

rate export finance

THE EEC is shortly to take investigation immediately comes a level of duties that would lift polyester filament yarn prices makers, and the submission of a detailed 200-page dossier on cases of dumping by U.S. pro-

May 5 is also due to see a decision being taken by EEC The Council of period. The decision to begin the Ministers is expected to opt for

rate export finance for large ex-

port contracts to be provided in currencies other than ster-ling." Mr Parkinson said.

three years ago, this policy bad a number of advantages. Parti-

cularly important were the pub-

lic expenditure savings achieved by reducing the amount of ster-

ling refinance that the Govern ment bad to provide," be said.

"I recently announced the with-

drawal of this refinancing faci-lity for new sterling business so

When it was introduced

tection it has been seeking.

European textile industry experts believe that the twin steps against the U.S. industry will see a rapid drop in its exports to the EEC. They predict that European synthetic fibre prices that had been seriously depressed by the U.S. inroads will be pushed npwards

The EEC industry's average

datory policy for foreign cur-rency financing need not be maintained. Consequently, the

ECGD would no longer require

exporters to finance large ex-

port contracts in foreign cur-

"Nevertheless, ECGD facili-ties in support of foreign cur-rency financing will still be available and I bope that ex-

porters will continue to use these to the full," Mr Parkinson

eign currency."

the prices in Europe of U.S. last year fell 10 per cent, white staple and tow acrylic fibre raw materials rose 25 per cent above EEC price levels, and in and for 1980 the major fibre doing so would give the whole of the EEC industry the pro-·unless action was taken.

> The EEC industry has also calculated that by the end of last year U.S. penetration of the European market, whether through dumping or because of the controversial question of cheaper U.S. petrochemical feedstocks, averaged 17 per cent and in Italy reached 33 per

o play an important role in our

Since the foreign currency scheme began, 160 ECGD-

backed foreign currency loans

(mainly "buyera credits"), worth \$5.5bn (£2.47bn) have been concluded, the Trade De-

partment said. Unlike sterling loans, foreign currency trans-actions had not entailed refin-

The foreign currency scheme

had therefore belped reduce public expenditure and the pub-

The Government had there I feel sure that it will continue fore concluded that a man o play an important role in our

ancing.

Rolls-Royce team which has been in New Zealand promoting the British engine. Mr. Robert Muldoon, the Prime Minister said that, General Electric had short-term technical advantages but the

uncertainty over future fuel price levels made the Rolls-Royce engine more attractive in the long term.

Mr. Muldoon said the Cabinet bad taken trading relations into account when making its dacision, but there bad been no significant pressure from either

be U.S. or British governments. Mr. Muldoon admitted there were some supply problems with the Rolls-Royce engine but Rolls-Royce bad undertaken to provide an interim solutioneven, if necessary, by providing a Boeing aircraft on lease.

### U.S. sells satellite to Poland

By Christopher Bobinski

GTE International Systems Corporation of the U.S. has won an order to design and install a communications satellite station worth \$5m in Poland, A total of 85 per cent of the cost of the U.S. equip-ment and services are to be financed by a Export Import Bank credit, the first to he extended to Poland since the Soviet invasion of Afghani-

The station, which is to be located at Psary, 120 miles south of Warsaw, is planned to be operational in the summer of 1981 and will the first direct between Poland and North America. The station will operate as part of the Inter-national Telecommunications and will be able to receive and transmit television, telephone and telex communica-

The Exim bank financing for the contract, which was awarded by Unitra, the Polish foreign trade enterprise, is to be paid over-eight years at an annual interest rate of 8 per cent. Repayment in 16 semi-annual instalments is due to begin six months after completion of the station The Soviet Union and Pakistan bave signed agreement for the manufacture of Russian tractors in Pakistan, AP-DJ reports

### Comecon-Soviet trade to increase

lated the price it charges its Comecon customer by taking the average world oil prices for tries this year paid about 25 per cent lass than the world

showed that trade with East Germany is to reach a value of Roubles 9m. an 11 per cent increase over trade in 1979 which was Roubles 8.13bn.

cent increase over 1979 trade at Roubles 6.56bn. Trade with Bulgaria is to reach Roubles 6.6bn, a 2 per cent increase over 1979 (Roubles 6.49bn).

The Soviet Union's trade with Poland, at Roubles 7.56bn, and with Romania (Ronbles 2.15bn) in 1979 are also expected to rise this year but no figures have been given for the agreed

THE SOVIET UNION has agreed to increase the value of ts trade with each, of its Comecon trading partners except Cuba this year, but much of the increase may be the result of higher prices which Comecon customers will have to pay for Soviet gas and oil. The Soviet Union has calcu-

this system, the Comecon counmarket price.
The 1980 Comecon protocols

Trade with Czechoalovakia is

The Soviet Union's trade protocol with Cuba, which was apparently agreed much later this year than last year, called for trade turnover of about Ronbles 4bn, nearly the same level as last year.

### Downturn seen in capital investments

By Lance Keyworth in Heisinki

THE PULP and paper industry nust now re-examine its strateic assumptions on marketing and investment conditions in order to adapt to the new economic climate caused by inflation and high energy costs, a world pulp and paper conference was told yesterday.

The conference, sponsored by The Financial Times and Helsingin Sanomat, the Finnish daily newspaper, heard a wide range of sbort-term views on the state of the industry by many of the industry's senior

Mr. Arthur Harrington, executive vice president, finance, of the International Paper Comoany (IPC) of the UK, said that energy costs bave risen from \$13 per tonne in 1972 to \$52 per tonne in 1978 on average.

be many major capital invest-ments in the 1980s—" they put a tremendous strain on the debt-carrying capacity of even the largest companies."

the most innovative products same rate, for this would ultiand processes have always had the competitive edge. With competitive edge. capital costs rising, future industry. innovation "may spell the difference between being in business or ont of business."

solutions for raising the capital and paper production. needed for financing investments, such as "financing a tion that Finland's production project in pieces," increasing of pulp for the market would debt-to-equity ratios, and more gradually cease joint ventures between forest products companies and custo- must use your head as well as

### FINANCIAL TIMES

PULP and PAPER

### CONFERENCE

evidence of such scarcity of resources," he said.

current year.

He suggested that prices Companies able to develop should follow cost rises at the mately rebound to the benefit of both the consumer and the

He pointed out the increase of production in the developing areas outside the OECD is Mr. Harrington suggested minute in terms of global pulp

"If you want to run well, you your feet. A competitive pulp Energy costs entered into industry is an integral part of every speaker's presentation, but our paper industry's competiwere dealt with in detail by tiveness. We would be bury-

WORLD

Institute of Erasmus University, Rotterdam. He suggested that the continuing failure of the Western nations "to produce as much oil and gas as possible may bring a feeling of satisfaction that their reserves are being conserved to ensure some residual warmth and lights in a 21st century world which the fear of energy scarcity suggests will otherwise be berfet of usable resources.

"However, there is no real

Mr. Gay Ehrnrooth, managing director of Wilh. Schauman of Finland, said the pulp and paper he added that there will not through a cyclical peak, and the sector should be prepared to cope with changing market con ditions by the end of the

And he countered the sugges-

Prof. Peter R. Odell, director ing our bead in the sand by of the Economic Geography discounting pulp exports."

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more difficult it is to obtain finance. The National Research **Development Corporation** is ready to help in such

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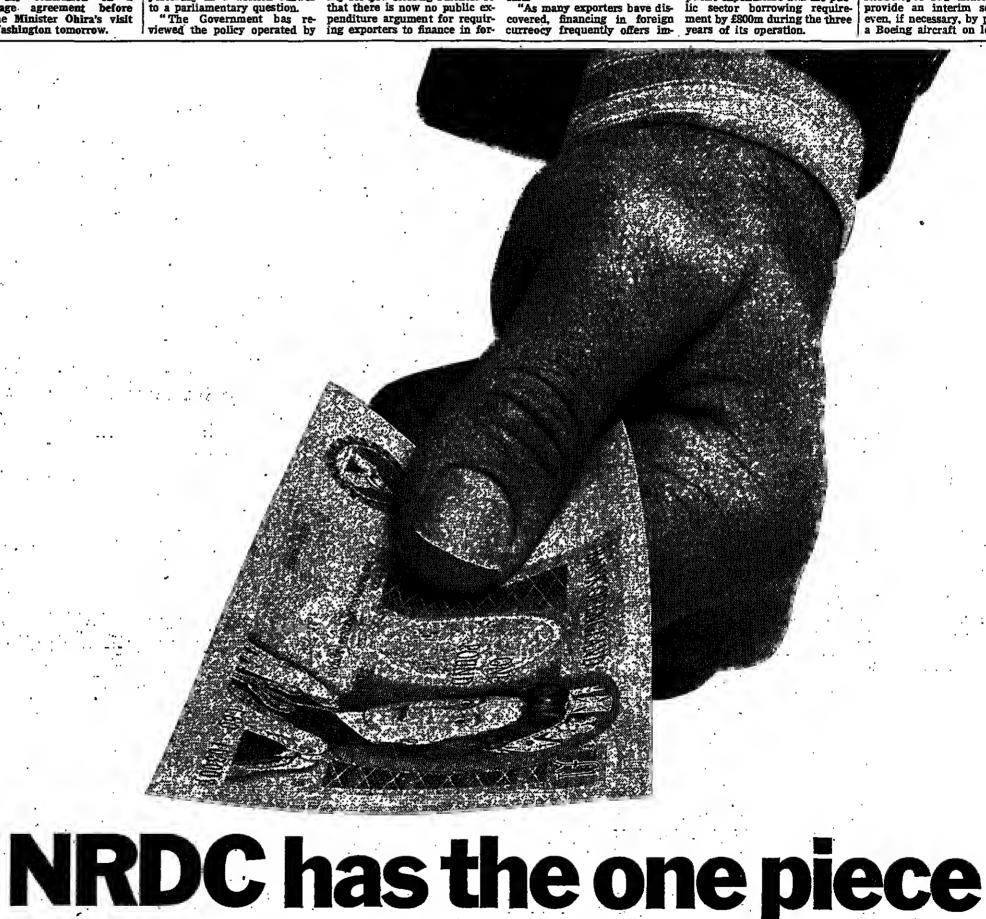
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BY RAY DAFTER, ENERGY EDITOR

Sea gas pipeline network, prob-£1.5bn, seems certain to quadrant 16, close to the receive Government approval Phillips consortium's "T" block yesterday from an Energy feeder line would probably come Minister and a senior British asbore at St. Fergus, north of

It was likely that the facility to bandle some or all provide of the chemical products. construction would additional flows of gas in 1984/ 1985, be told a London conference on UK energy projects, organised by the Offabore Centre.

The Government is understood to be examining ways of financing and operating the should be run by a private from Basingstoke, Hampshire, sector "utility," a consortium of private companies. Mr. Lamont, speaking generally of Government policies, said it was intended that the North Sea should be a "sbop window for free enterprise."

Mr. Geoffrey Roberts, British Gas Corporation's member for external aiffairs, revealed some of the details of the pipeline scheme, which he described as the biggest single offsbore venture attempted in the world." The pipeline would collect gases from fields as far to Fulmar in the south, a span licence (number 116b) are Car-of 400 miles. Initially 12 fields less (28.125 per cent). Marinex shore.

THE construction of a North could be linked to the system. The main trunk line would ably costing between £1.1bn and join the north-south feeder in this summer. Endorsement of which contains the Thelma, the ambitious scheme came Toni and Tiffany fields. This Peterbead, in Scotland. In view Mr. Norman Lamont, Parlia. of the large amounts of natural mentary Under-Secretary of gas liquids which would be State, said a feasibility study by British Gas and Mobil showed needed. Ideally, there should the project was "economically also be an all-weather port

Mr. Roberts detailed other pioneering projects planned by British Gas: • The development of the Irish

Sea Morcambe gas field. It was likely nine platforms would have to be installed. For the first time in Europe the developers would use a slanted drilling is seeking an amendment to technique, needed because of the shallow nature of the field. • The use of the North Sea Rough gas field as a producer in winter and a natural atorage vessel in summer. This was the only project of its kind in the

### Hampshire 'oil' discovery

pipeline. One idea is that it made a discovery five miles

The group confirmed yester-day that it had found "indications of hydrocarbons" below 3.000 feet in a well being drilled in a field close to the A32. While Carless would not say wbether it had found oil or gas, it was thought in the industry that the reservoir is more likely to con-

Carless said it was continuing to drill to 6,000 feet and added that it was too early to say if it was a commercial find.

AN OIL exploration group, led Petroleum (28.125 per cent) by UK independent company Cambrian Exploration, part of Carless, Capel and Leonard, has the Candecca group (25 per cent) Cambrian Exploration, part of the Candecca group (25 per cent), and Hadson Oil UK On-shore (18.75 per cent).

The discovery is some 60 miles from the British Petrolaum-British Gas group's size-able oilfield at Wytch Farm, Dorset, which is expected to boost U Konsbore oil production levela to about 20,000 barrels a day by the mid-1980s compared with the present level of 3,500. Onshore exploration is receiv

ing increased oil industry attention because of the uncertainty of future. fuel aupplies, rising prices and the relative cheapnes sof exploration wells. An onshore wel lcosts between £250,000 and £500,000 compared with perhaps £5m or more off-

# Rolls-Royce given £180m aid

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

cash support this year, to meet is short-term needs. A new longer-term financial plan will costs in sterling. be prepared later.

year and into 1980 because of part from new equity capital.

ROLLS-ROYCE, the State-owned sterling's strength against the aero-engines group, is to dollar. The company prices been persistent report that receive a further £180m in many of its engines in dollars the company will report a subbut incurs is manufacturing stantial loss for 1979 when its

Part of the cash will come The money is needed partly from loans fro mine private to help continue floancing the capital market, part from a development of the new Dasb reduction in the amount of levy 535 RB-211 engine, and partly the company pays the Governto offset losses incurred last ment on each RB-211 sold, and

In recent weeks there have accounts are Issued soon, because of its exchange rate

The company is expected to return 10 per cent on capital employed by 1981, but this may

## Retail sales fell by 1.1% in March

RETAIL SALES in the UK are dropped 1.1 per cent in volume fairly buoyant in spite of the compared with February. This retail activity seems to be assoemerging recession. The volume took the Department's seasonof spending in the sbops fell ally adjusted index of monthly last month from the unsales to 103 (1976=100), the are running at an annual rate expectedly high levels of Febsame as in January, against of over 20 per cent, slightly ruary, but was still appre- 104.1 in February. above the level of retail price ciably higher than at the end Sales in the first quarter increases. of last year. This is somewhat were up by 1.6 per cent comto the surprise of retailers, who pared with the final quarter of of the Retail Consortium, which expected a decline in trade in 1979. Compared with the first represents the bulk of retailers the first few months of 1980. Department of Trade showed and strikes—the rise was 2.6 reporting the sort of volume that retail sales last month per cent.

The relative buoyancy of clated with continuing large increases In earnings, which

Mr. Richard Weir, director pe first few months of 1980. quarter last year—when trade said be was "baffled" by the Provisional figures from the was depressed by bad weather figures. Most retailers were not

# **Insurers** seek gains tax change

THE Life Offices Association the Finance Bill's propoals on capital gains tax relating to authorised unit trusts and investment trusts.

avoid - retrospective charging of capital gains tax in certain circumstances when unit trusts are sold, it wants a value for unit prices established as at the date of the Budget, so that tax compntations may be derived from

The Budget proposes to lift tax from unit-holders first £3,000 of gains on selling, then make them llable to full capital tax. Life companiea, in some circumstances which . are unit-holders, say they must increase their reserves to meet a potential liability of 30 per cent, against the previous assumption of 20 per cent.

### More 'top' banks

THE Bank of England ha added IS names to its list of "recognised banks," the senior banking category under the Banking Act, 1979. They include the Bank of America, Bank of Ireland and Bank of Nova

### Import curb drive

THE Transport and General Workers' Union is campaigning to generate support among shop stewards, the Shadow Cabine and the general public for aelective import controls.

### Claim for £70

A £70-A-WEEK minimum wage and a 35-hour week have been adopted unanimously as policy by the Union of Shop, Distriand Allied Workers' national conference at Bournemouth. The vote represents a victory for the broad Left.

### Granada's appeal

THE COURT of Appeal has reserved judgment on Granada Television's appeal against a High Court order that it must name the British Steel Corpora-tion employee who disclosed confidential documents.

THESE reports and those on this page relating to retail sales and to Rons-Royce were prepared for yesterday'a editions but falled to appear as a result of an industrial dispute that led to the loss of the Financial Times' produc-

# Labour likely to make substantial election gains in the cities

THE FIRST national test of currantly led by Mr. Jack Smart, listed the council as 'under public opinion for the first of Wakefield. Tories are pressure" — Central Office year of Prime Minister expected to remain in control parlance for "lost cause." Government comes with the associations. local elections in England and This year matter are complipolis will be in Leeds. Liverpool little doubt it will produce a markedly "red" result, with Labour making substantial gains, particularly in the large conurbations.

However, some two-thirds of the electorate are likely to stay away from the polls because of councils are baving elections, support is very strong in certain apathy and disillusion. That is and because there have been a usual feature of local elac- some boundary changes. In emerge still holding the balance tions, which tend to work someonly a third of the council of power rather than letting against the party in govern- is due for election, in others Labour bave the victory it is

Tha central officea of the two main parties have tried to set and Saatchi bave given the Tories two slogans for the price Labour hopes to finish with of one with "Help keep control of at least 30 of the

Neither seems to be having a particularly dramatic effect in last year's local elections Canvassers from all parties (when there was an extrareport that the electorate is ordinarily high turnout because weary of both slogans and economic ills.

All sides agree, however, that likely to win the big prizes. largely because it is considered sure to regain some of the more extraordinary losses incurred in 1976 and 1977, when the Labour's Government : was especially unpopular.

Labour victories abould be particularly marked in Scotland and in the English metropolitan right wards unexpectedly would rate was fixed. districts. This would return give Lahour control of the Labour to the control of the Wirral. Different opinion polls influential Association of Metro- put the Labour Party currently politan Authorities, which repre- anywhere between 3 and 8 per district, may have been too aents London and the big cent ahead of the Tories. conurbations, and negotiates with the Government on their Dudley but Tory chances of

Taylor, who has been leading inability of the Left to work majority. The Tories are grow-dominantly Conservative Sooth the fight against the Govern together. The Labour party ing increasingly confident that East, South or South West. ment's plans for local govern- split has produced candidates they may gain control of a Liberals look like doing well merit reform, is likely to be of both right and left wing council they would otherwise where they traditionally have banding over leadshirp of the factions to the delight of the have expected to lose.

done so, but find it increasingly association to the Labour group, Tories who had previously

Thatcher's of all the other local authority

That interesting metropolitan council

Scotland tomorrow. There is cated by the fact that not all and Wolverbampton. Liberal

Robin Pawley looks at the prospects of the three main political parties in tomorrow's local elections—the first national test of public opinion for Tory policies.

electad.

In addition to the 36 English the tone of the elections against metropolitan districts there will City politics after 14 years to the hackground of the national be elections in 103 non-metro- join Mrs. Thatcher's administhe hackground of the national be elections in 103 non-metroeconomic climate which baa politan English districts and all produced a rates-against-cuts
sargument. Labour's rallying
call is "Stop the Tory Vandals
—Vote Labour," while Saatchi

English non-metropolitan dis-

Britain out of the Red-Vote English metropolltan districts. If there were to be no further swing to Labour than occurred in Bolton, Bradford, Calderdale. average. Kirklees, Oldham, Rochdale and

Walsall. An additional 1 per cent Labour but that depends on the majority control. That result Liberal performance, and an was thought to be a foregone extra 6 per cent swing in the conclusion-until the 1980-81 Liberal vote locally.

Labour should also take bolding on there have been trol a few weeks ago are now. In July, therefore, Sir Godfrey significantly improved by the talking of only a two-seat

wards and the Liberals may whole council will be expecting. Either way, the result will be disappointing for Lord Bellwin, who left Leeds

tration as a junior minister for

apart,

local government via a peerage Liberals are traditionally very strong in Liverpool where a Labour minority currently rules by consent of the other parties. Labour may prove to Labour hopes to finish with have ben over-confident in a

city with a volatile voting Wolverhampton is possibly the most fascinating contest involving rates and the Governlocal polling coincided with ment's campaign to persuade pollcy. general election day) the results electors to reject councils which in the metropolitan districts spend beavily and raise the It is the Labour Party which is would leave Labour with gains rates far above the national

The present council is 30 Tories, 29 Labour and 1 Inde-

However, the rise of the gen-Labour officials who were confident of a good margin of con-

vironment Secretary, has staked his credibility on the premise that the electorate does not want or like high spending councils. Good Tory showings ln Wolverhampton and Liver pool would add weight to his claims.

Of the 36 metropolitan districts only Bury, Sefton, Solihull, Stockport and Trafford look safa for the Tories on Thursday and anything more will be a bonus indeed.

In the non-metropolitan councils Labour expects to take control of a further 13 authorities which are either Tory-controlled or have no overall control. They are Amber Valley (Derbyshire) Basildon, Blackburn, Cambridge Corley, Crewe and Nantwich. Hartlepool, Oxford, Preston Swale (Kent), Tamworth (Staffordsbire), Thurrock (Essex) and Worcester.

The two main parties are largely campaigning with national policiea and issues in mind. The Liberals, bowever, take a much more regional and sador's residence in Bishops local view, believing that local issues should be the meat of local government - although this year they are putting conaiderable emphasis on the cen-Government's housing

The Liberals are displaying their usual inexhaustible confidence and talking again in terms of a revival. If such a revival is really going to materialise, it is more likely to pendent ratepayer. It is in effect do so next year than this. It is swing would add Birmingham to run by Labour which needs to rather early in the Govern-the list. Liverpool should go gain only one agat to take ment's life for disgruntled Tories to start registering their dissatisfaction by casting a

Analysis of the trends in However, the rise of the gen- England repeats the regional eral rate of 44 per cent the polarisation between the parties highest in any metropolitan which showed itself at the last two general elections. Labour much for the electorate. Even support is solid in the conurbations of the North and Midlands. Apart from Swale in Kent, Labour is not expecting any gain anywhere in the predone so, but fied it increasingly Mr. Michael Heseltine, En- bard to break new ground.

CBI INDUSTRIAL TRENDS SURVEY

# Further decline in manufacturing demand and output

downward trend of the present

apparent

is expected.

months

in July 1977.

investment cycle is still

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A DECLINE in activity in manu-motor vehicles and ferrous facturing industry, with lower metals. utilisation, lower demand and lower output, was reported yesterday by the Confederation of British Industry in its quarterly industrial trends

survey. in food, drink and tobacco.

Demand and output are Electrical and mechanical expected to decline further in the next few months and lower fident. levels of employment are forecast by a substantial proportion of the 1,843 manufacturing companies responding to the survey. There has also been a widespread deterioration corporate liquidity, and further

weakening is expected. Outimism about export pros-pects has continued to decline, but not to the same extent as tn the previous nine months. There are also signs that export weaken much further in the next quarter than was predicted three months ago.

Prices are the main constraint to export orders. Investment intentions have remained stable at the low levels forecast in January.

### Disruption

The survey was conducted during the first half of April. This meant that most respondents knek the contents of the Budget and were also aware that the steel strike was ending.

The disruption caused by the strike to about a quarter of manufacturing industry affected some replies, but the CBI believes the reaults show "there. is a distinct weakening in the underlying trend for demand, particularly in the consumer goods sector."

liquidity are included in the survey exery six months. Com-panies are asked to compare their position with a year earlier and to forecast changes over the next six months. The results show a widespread

deterioration over the pst year, with the trend worsening significantly since October. Worst hit are intermediate industries, especially companies in steel and consumer goods. In

ddition, the largest companies employing more than 5,000 people have experienced the sharpest deterioration. A similar pattern is expected up to October. The CBI says that "the magnitude of the deterioration" Is the worst

sioce October, 1974. Companies are also asked plan to take. Nearly one in five companies intend to cut back on stocks, while one in ten plan to reduce capital spending. However, only about 1 per cent plans to raise prices for liquidity

### **Falls**

The worsening employment position is shown by a steadily rising number of companies reporting that they have employed fewer people in the past four months and expert further falls in the next four

With 51 per cent of companies reporting a decline, and only 8 per cent reporting an increase, the balance of companies with smaller labour forces has risen from 20 per cent last October to 31 per cent in January and 43 per cent in this anrvey. Forecasts of a decline in the

coming period ahow a similar increase in the balance from of respondents. Skilled labour 25 per cent in October to 35 sbortages are cited by only 10 per cent in January and 40 per per cent. cent this month. Industries most involved in April, 1980. No. 76. Full Results

shedding labour include ship- annual subscriptions £90 (CBI building. man-made fibres, members £40), 21 Tothill Street, conaumer goods, London SWI.

writ claiming £14,696 allegedly appeal.

due for repairs to its Ambas-

Court ruled yesterday.

Zaire residence case ruling

the June Budget.

Although below-capacity

period. The steel strike has hit

the ferrous metals industry par-

The CBI says there are indica-

tions that "finished goods stocks

are now becoming excessive\_for

an increasing proportion of com-panies, despite expectations,

which bave apparently been

that " at least part of the stock-

A sbortage of orders or sales

limiting output, and is now

CBI Industrial Trends Survey.

building has been involuntary.

ticularly sharply.

### Avenue, Hampstead, the High munity under the State Immun

Finniston plea Zaire pleaded sbsolute immunity under the State THE GOVERNMENT has been Immunity Act, 1978. But Mr. asked by the Freedom Associa-Justice Lloyd said the repair tion to reject aspects of the contract between Plantmount, Finniston Report which "would the builders, and the republic tend to lead to effective was signed 10 months before licensing of the engineering the Act became law, and the profession." The association repairs were of a private nature. said the report could give the Plantmount, of Hyde Park profession a "closed shop in all Place, was granted leave to but name."

TOTAL TRADE 1.843 respondents. All figures are percentages on a weighted sample. Figures in parentheses show the response to the survey carried out More Same Less

Are you more, or less, optimistic than you were four months ago about the general business situation in your industry (5) (46) (50) More Same Less N/A Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 mouths on: (a) Buildings (12) (35) (42) (11)

(35) (41) (1)

Nn N/A

Overall business confidence your present level of output below capacity has continued to decline, with (i.e. are you working below a satisfactory full less optimism being apparent in rate of operation)

(b) Plant and machinery ...

broad sectors such as textiles (63) (36) and metal manufacturing and Excluding seasonal variations, do you consider that in volume terms: normal Normal normal engineering are the most con-(a) Your present total order · Investment intentions have (47)(7) changed little over the past Less than More than three months, although the adequate Adequate adequate

(b) Your present stocks of finished goods are (22) New export orders are re-Excluding seasonal variations, what has been the trend over the ported to have risen over the past four months, and what are the expected trends for the next four months, with regard to: past four months for a number of industries including con-sumer chemicals, non-ferrous metals, instrument engineering, Trend over past Expected trend over other vehicles, hand tools and

Up Same Down N/A

8 41 51 7 45 47 8 41 51 — 7 45 47 — (9) (51) (40) (—) (7) (51) (42) (—) Numbers employed ..... implements, and in furniture and upholstery. There is also Volume of total new an indication of some improve-17 27 43; 4 14 47 35 3 (17) (44) (35) (3) (12) (49) (36) (3) ment in the next four months because a slower rate of decline of which: Domestic orders ..... However, a record 79 per cent (18) (46) (32) (4) (11) (56) (35) (4) of exporting companies say prices are the most important constraint to obtaining new 19 48 33 — 16 54 39 — (21) (55) (22) (1) (14) (59) (25) (1) 18 43 37 1 17 49 32 1 (21) (50) (27) (2) (16) (48) (53) (3) orders. Export prices have been deliveries ..... rising faster in the past four Stocks of: (a) Raw materials and brought in supplies 16

The number of companies 16 50 33 Z 10 55 33 2 (21) (52) (24) (3) (9) (54) (33) (3) reporting a decline in the total volume of new orders at home 15 51 25 9 10 54 26 9 (17) (58) (17) (g) (8) (59) (24) (g) and abroad has increased. A balance of 26 per cent say their position is worse rather than 26 39 21 14 13 47 26 14 (21) (50) (15) (14): (12) (50) (24) (13) (c) Finished goods ...... better compared with 18 per cent in January. This is the Average costs per unit worst result aince the question was first asked in vilume terms 77 20 1 2 75 21 3 1 (75) (22) (3) (—) (28) (20) (2) (1) Average prices at which: A lower intake of new orders Domestic orders are booked ..... is most apparent in textiles for

61 24 4 1 59 37 2 1 (58) (37) (3) (66) (80) (1) (3) the second survey running. although weaker demand is also Approximately how many months' production is accounted for by your present order book or production schedule: becoming significent in the chemicals industry and in the 7-9 10-12 13-18 than 18 N/A coal and petroleum products sector. (14) (47) (12) (3) (1) (2) (2) Producers of intermediate and consumer goods are facing What factors are likely to limit your output over the next four

the poorest demand and this is reflected in answers to Orders Skilled Other Plant Credit or or com-or sales Isbour labour capacity finance ponents Other questions about the volume of total order books. 7. 5 (8) 1 (4) (13) (82)Recovering
There has been a general reduction in capacity utilisation with 70 per cent of participants over the next 12 months is your present fixed capacity 52.

(43) (13)Recovering Less than adequate Adequate adequate

This compares with 51 per cent in July last year when. What are the main reasons for any expected capital expenditure authorisations on buildings, plant or machinery over the next 12 industry was busy recovering months: To expand To increase from the road haulage dispute

and from the bad winter: It capacity was also responding to increased 17 For replacement Other N/A was also responding to increased consumer spending caused by What factors are likely to limit (wholly or parity) your capital expenditure authorisations over the next 12 months: working remains most common Shortage in intermediate goods com-

· including panies, i thas now spread quickly "Uncer managerial net Shortage Inability into consumer goods industries. to raise Cost tainty and return on . of . The volume of stocks, raw materials and bought-in supabout techni (please proposed internal external of .. investment finance finance finance demand cal staff specify) N/A plies, and work in progress, is reported to bave fallen over the (31) (21) (41) (2): (20) (5) **(2)** past four months. It is expected to decline further in the coming

EXPORT TRADE Companies completing these questions have direct exports exceeding

Are you more or less optimistic about your export prospects for the next 12 months than you were 12 months ago... (7)- (55) (37) (I) Excluding seasonal variations, do you consider that in volume terms: Normal. normal

frustrated, of reductions in finished stocks." This indicates Your present export order book is (8) (45) (44) Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends over the next four months, with regard to:

Trend over past Expected trend over remains the most like factor reported by a record 85 per cent

Up Same Down N/A Up Same Down N/A Volume of total new export orders ..... (16) (48) (30) (7) (15) (52) (27) (7) Volume of export deliveries ..... (20) (47) (28) (5) (18) (50) (27) (5) Avarage prices at which

export orders are (44) (46) (7) (3) (56) (38) (3) (3) What factors are likely to limit your ability to obtain export orders THE REPUBLIC of Zalre is serve a writ outside jurisdic-Delivery Quota and Political or not protected by sovereign tion of the English courts. The immunity against issue of a republic was given leave to import economic (compared with over-Credit or licence conditions seas competitors) finance restrictions abroad

6 10 34 (14)(39)

### Tests diagnose lupus disease NEW BLOOD tests enabling

ment for lupus disease, which usually attacks women of childbearing age, mean that thousands suffering from an need no longer die.

early diagnosis of and treat. Arthritis and Rheumatism Council meeting. Dr. Graham Hughes, a consultant rheumatologist, of the Royal Post-graduate Medical School, Hammersmith, said most often fatal form of arthritis patients could now look forward to a normal lifespan,

# Lonrho's Lords appeal ends abruptly

House of Lords ended abruptly yesterday, when the Law Lords told Shell and BP's lawyers they need not answer Lonrho's claim to see the oil companies' submissions and evidence to the

Bingham inquiry. Crown couosel was not asked to defend the Government's decision to claim that disclosure of the Bingham documents would be against the public

the next 10 days. they had also succeeded in have produced so far.

The Lords indicated they regard to the Mozambique other oil companies is awaiting would give their judgments in subsidiaries. If correct Lourbo will have ontcome of the arbitration.

The companies' lawyers were to make do with the 180,000 or The principal issue in both confident after the hearing that so documents the companies proceedings is whether the have produced so far. companies conspired with the The document issue was only then illegal regime in Rhodesia defeating the other section of Lonrho's appeal. This was to compel disclosure of documents next stage will begin on June UDI by means other than a belonging to Shell and BP's 23, when three arbitrators will Lonrho pipeline. Lonrin rights subsidiaries in South Africa, begin bearing in private if suffered millions of pounds. Rhodesia and Mozambique.

The Lorda asked for the com-The Lorda asked for the com- and BP. conspiracy ampanies' submissions only in Its legal action against 27 of contract.

A Co

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bull ale Ow Dual-F o car va "petrol. do bout ip G is a ouly wi on their thou piloi brice CL VOM.

ant moner. pip control o Iell Me

# هكنا من للهم

# Laker wins right to fly Gatwick-Miami

a million a affilio securiosimo - e a con loc

independent airline, has won standby singla of £108; a super the right to fly between London apex rate of £287.50 return and Miami. It becomes the (April 1-June 14), £295 return second British airline on the (June 15-July 31 and September route after British Airways. 1-October 14) and £310 return

has rejected an application by Air Europe to fly the route. Sir Freddie Laker, the air-

decision. His ariline has been refused several other important months, including Hong Kong, which went to British Caledonian Airways donian, and many new shorthaul European destinations.

- However, Laker Airways was denied rights to fly to Miami a week each way, using Boeing from Manchester and Prestwick. 707s initially, and DC-10s, which Miami from Gatwick Airport, as traffic justifies them. London, on May 22, with three services weekly each way using stand-by rate of £99.50 single, bC-10s. Laker already flies hut a "Bottom Dollar" advanceregular charters to Miami seven

times a week. The operation will follow the during the peak summer Skytrain pattern, with 120 seats months. on each flight being offered for no-reservations, first-come-first-

served passengers.
The cheapest Laker single (Skytrain) fare will be £87 in the off-peak season, and £99 single in the peak period, from June 15 to September 30. Economy class rates will be £130 single from October 1 to June 14, rising to £160 in the

peak period. There will also be an excursion fare of £198 return from October 1 to May 31, rising to £229 in the periods June 1 to 30

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petrol price increases or an oil

petrol isn't.

Airways oute after British Airways.

The Civil Aviation Authority (during August); and an explication by economy class rate of £218.50

single. On the U.S. side, Pan line's chairman, said yesterday one of two U.S. operators oo the route, flying between Heatbrow and Miami, but a battle is under way to find a second U.S. airroute applications in recent line to fly Gatwick-Miami in

today between Gatwick and St. Louis. It will operate four times a week each way, using Boeing It plans to start flights to take more passengers, as soon

The cheapest fare will he a purchase rate of £148 single (£296 return) will he available

### **RAF** orders 18 Hawk trainers

THE RAF has placed an order with British Aerospace for another 18 Hawk trainer and ground-attack aircraft, worth about £45m. The RAF has ordered 175 Hawks, of which 130 have been delivered.

British Aerospace will export a further 71 Hawks, to an undisclosed African country about and September 16 to 30, and to to start. Total sales of the 2270 between July 1 and Sep. Hawk, which is powered by the Rolls-Royce Adour turbo-fan Those compare with the engine, have reached 264.

# **Monopolies Commission** to investigate water costs

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE SHARP rise in water rates said yesterday that the new ininvestigation into the operating second largest water authority. Severn-Trent Water

Authority, which supplies water service to more than 8m people in an area covering the Midlaods and parts of Wales and the West Country, ia to be investi-gated by the Monooplles and Mergers Commission.

The inquiry will he carried Act and follows a smilar investi-gation ordered by the Government into British Rail's South-

this year has led to a major vestigation had been launched investigation into the operating "because of widespread concosts and efficiency of the UK's sumer concern about the charges levied by water authorities."

Severn-Trent Water Authority was chosen as the test-case mainly because of its The largest water authority, the Thames authority, had heeo investigated previously by the Price Commission and it was considered unfair to chose out undar the new Competition the same water authority twice.

It is also understood, however, that the Severn-Trent authority eastern commuter services. has received a considerable Mrs. Sally Oppenheim, number of coosumer complaints

the level of charges. Most of the ten regional water authorities in England and Wales, set up by the 1973 Water Act, have also received many complaints over the rise in

The Monopolies Commission reference has been made under Section 11 of the new Competition Act and is due to be completed within six months. But the Commission can ask for a three-month extension if neces-

charges this year.

sary.
The investigation will also cover the East Worcestershire Waterworks and the South Staffordshire Waterworks Co., which operate in association with the Mioister for Consumer Affairs, ahout its hilling procedures and Severn-Trent Water Authority.

# Move on theatre price fixing

BY OUR CONSUMER AFFAIRS CORRESPONDENT

**Antony Gibbs forced out** 

of City banking club

Shanghai Banking Corporatioo, Bark of England. is being forced to resign The committe from the Accepting Houses decided to review

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

ANTONY GIBBS, the small like all committee members.

man of Antony Gibbs, said pected to result in the sale of yesterday the committee's Singer and Friedlander to decision was "a retrograde another company. Interest has step."

hased in a British colony, and including European and over-

between West End theatres and February 1977.
ticket agencies is to be referred But the Director-General of

ing said last night. The move follows widespread trated by the agreement.

Under present legislation, a means it is unlikely the new register of restrictive practices. The agreement's main restric-The Society of West End tions include price-fixing relat-Independent Libraries.

about to hecome a wbolly-owned

Members of the committee,

the elite City merchant bank-

ing club, decided that Antony

Gibbs would have to leave ooce

Sir Philip de Zuleuta, chair-

Hongkong and Sbanghal was

been classified as a foreign

therefore ought not to bave seas banks.

it became foreign-owned.

By Our Consumer Affairs Corr. Theatre registered agreement ing to the discount allowed to A PRICE FIXING agreement with certain ticket agencies in agencies and the hooking between West End theatres and February 1977. charge an agency may levy on

to the Restrictive Practices Fair Trading has the power to ask the Restrictive Practices better terms to any selling Court to rule whether the agency other than those party Court, the Office of Fair Trad- ask the Restrictive Practices agreement is against the public to the agreement. concern that West End theatre interest. The Director-General prices may he higher than has issued a Notice of Refernecessary and that attempts to ence, which will bring the offer lower prices are frus- agreement hefore the court. However, its backlog of cases

restrictive trade agreement is case will be heard until next not unlawful if it is on the year.

of Singer and Friedlander, an-

other of its members, io the

event of its parent, C. T.

Bowring, becoming controlled by Marsh and McLennan, the

U.S. insurance broking group.

already been indicated by several potential purchasers,

tickets:

It prohobits theatres offering

The society's standing recommendations also restrict the advertising of classified theatre annouocements to newspapers on a recommended list.

The ticket selling agencies are represented by the Comhined Theatre Libraries Association and the Association of

### French group in Brae bid

By Ray Perman, Scottish Correspondent

prise (UIE), the French group which completed its takeover of City merchant bank which is enjoys the right to have the Marathon rig building yard acceptances (bills of exchange) at Clydebank yesterday, hopes subsidiary of Hongkong and drawn by tts customers on the to win the contract for the Brae Field steel production platform in the next few weeks, The committe has also decided to review the position

The group is understood to have submitted a tender for the Brae jacket. Work would be split between Britain and France.

waetr depth to lannch a blg Completion of this deal is ex. North Sea structure, so main assembly work and launching Singer and Friedlander to would be done at UIE's yard in Cherbourg.

fabrication of fixed platforms to Clydehank to diversify the workload. Clydebank will con-An EEC bank takeover could tinue to offer Marathon design lead to a conflict with EEC competition rules if the committee

UNION Industrialle et d'Entre-

Clydebank has insufficient

UIE wants to introduce

Loss of membership will have few consequences for Antooy was to force Singera nd Fried-Gibbs, since its new parent, lander to resign its membership.

# Services given pay awards of 14.5-20%

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

and 20 per cent for members of the armed forces have been accepted by the Government. They wil ladd £290m to the overall pay hill.

The rises, back dated to April i, have been recommended by the Armed Forces' Pay Review Body. They increase a brigadier'a salary by £3,000 to £18,250, and put a fully-qualified private on £5,011 a year, a rise of about 15 per cent.

The rises mean that, with those paid by the Tory Government on its taking office last year, the forces have heen given Increases of up to about 50 per cent in two years, to bring their pay up to levels comparable with those in civilian life

The current award is 17 to 20 per cent for officers, according per cent for corporals and

The Review Body, under its chairman Sir Harold Atcherley, stresses that "nnless there is a contiouing assurance that

Brigadier

Majort

Colonel

Captain!

Lieutenan

Sergeant (Band 5).

Corporal (Band 2)

Private (Band 2)

PAY RISES of between 14.5 life at equivalent levels, the Services' ability to recruit and in particular to retain will once again he pnt in jeopardy."

The effect of the Government's pay rises last year was It was apparent on marked. our visits to Service units that there had already been a significant improvement in

morale." while recruitment had also improved, Sir Harold said. "Indeed, 1979 turned out to be one of the best years for recruiting since the end of National Service in 1960."

women were seeking to leave the forces had dropped to normal levels. Many applica-tions for discharge had heen withdrawn in recent months. The Review Body said it will examine "fringe benefit" issues

The rate at which men and

in its next review. But In reachto raok and length of service. ing its pay decisions it took 16 to 17½ per cent for warrant account this time of a number officers and senior non-commissioned officers, and 14½ to 15 value in private industry of company cars and low-interest mortgages.
The Review Body decided.

however, oot to increase the "X factor." the percentage of pay designed to compensate soldiers. armed forces' pay will be kept sailors and airmen for dangers broadly in line with pay in civil and discomforts of Service life.

RCES PAY COMPARISONS*  New Rate (£ per annum)	Old Rate (£ per annum)
18,250	15,251
11,994	10,054
16,962	14,175
9,136	7,799
6,986	5,962
6,826	5,889
6,318	5,497
5,011	4.359

\* All rates vary widely according to length of service, time in the

† After eight years ‡ after six years; § after 4 years.

## **Energy post for Maitland**

BY RAY DAFTER, ENERGY EDITOR

SIR DONALD MAITLAND, one of Britain's leading diplomats, is leaving the Foreign Office to become Permanent Under-Secretary at the Department of

Energy,
The appointment, announced
by the Prime Minister yesterday, is significant for it emphasises the importance of energy-in particular for the UK. North Sea oil-in international relations.

Sir Donald, aged 57, and currectly deputy to the Permanent Under-Secretary in the Foreign and Commonwealth Office( is an spent in the Middle East. He

was Ambassador to Libya in 1969 and 1970. He will succeed Sir Jack

Rampton who is to retire from the Energy Department and public service shortly after his 60th blrthday in July. Oo his return from Libya in

1970 Sir Donald was chief Downing Street press secretary, serving Mr Edward Heath. Three years later he was appointed UK Permanent Representative to the United Nations, Subsequently, he be-came Ambassador and UK Permanent Representative to the European Community.

See The Lex Column. Back Page.

# **Voting** rights for all shares sought

THE National Association of Pension Funds has published a list of 40 companies which have non-voting or restricted classes of sbares and which do not openly describe them as auch.

The publication of the list is the first stage in an all out battle by the pension funds for basic democracy—one share, one vote -in company ownership.

Institutions have been concerned for some years about the structure of company shares. Receotly, the association approached the Stock Exchange to discover how many companies still issued non-voting or restricted sbares.

The Quotations Department of the Stock Exchange identified 86 such companies. The Data-Stream computer lists over 100.
Of the total, 46 companies clearly note the restrictions which apply to each class of ahare, but the other 40 com-

panies do oot. The association has published the list as the first stage of its

attempt to force companies to enfraochise all shares. Ooe of the test cases is Lloyds Bank, which restricts any shareholder to 500 votes no matter how many hares he or

she may hold. For over a year the pension funds have been pressing Lloyds to abolish this rule and adopt a aimple "one share one vote principle. Lloyds has now instructed lawyers to iron out the legal problems involved in the change.

The association is though to he awaiting the outcome of the Lloyds move before applying pressure on other companies. Detnils of the list can be obtained from the Notional Association of Pension Funds, Investment Protection Committee, Prudential House, Wellesley Rood, Croydon, London CR9

### Hampden Park stadium project

THE BOARD of Hampden Park Limited, the consortium respon-sible for overseeing the redevelopment of Scotland's national football stadium, are compillog a lost of contractors interested in tendering for the main contract.

Contractors should apply by May 14. Initial estimates put the overall cost of the five-year project at £11.3m at April, 1978 prices. The work on site is expected to start in October.

### Losses from household Timely money. thefts up 22% in 1979

BY ERIC SHORT

thefts in private homes, according to figures issued yesterday by the British Insurance Asso-

> Insured theft losses in 1978 rose 16 per cent from £81.2m to £94.5m, but thefts of house-

INSURANCE companies last hold contents increased 22 per year faced record losses from cent from £39.9m to £48.8m. accounting for more than half the overall losses. Commercial theft losses were

only 6 per cent higher at £7Em against £5.9m: Theft losses of money fell 4 per cent from £4.5m to £4.3m.

Salem setback

SHELL International Trading has suffered a temporary sethack in its legal action against Oxford Shipping Company Inc. and its chief executive Mr. Frederick Soudan over the mysterious sinking of the oil tanker Salem in A High Court judge ruled

at a private hearing yesterday that Shell had not properly served Oxford Shipping with the writ in the action.

**Burco Dean cuts** 

BURCO DEAN, the domestic appliance and kitchen furniture group, is to make about 160 of its 653 employees redundant. The company said measures were being taken to reduce costs as a result of a big decline in consumer spending and high interest rates.

Lancia check LANCIA IS to contact all 40,000

registered owners of its Beta cars in Britain for rust and safety checks.' The move comes two weks after the company admitted it bad heen helping dealers buy up badly-corroded cars which were later destroyed. More than 500 cars, mostly five to six years nld, have been bought and crushed in the past

two years and Lancia believes a similar course may he necessary with another 500.

Freight venture NATIONAL CARRIERS, the

State-owned parcels and specialised distributor, is to start international freight operations after an agreement announced yesterday with International Express, a private freight forwarding company. The two companies have formed a partnership called laternational Carriers to give exporters and importers a new, integrated freight service.

Output forecast MANUFACTURING output in

Scotland will drop to 49.9 in the final quarter of 1980 compared to 98.4 in the first quarter of the year (Base: 1975=100), according to a bulletin published yesterday by the Frazer of Allander Institute at Strathclyde University.

Homes scheme

THE Provincial Building Society said yesterday that it is setting aside £25m for home improve ments in the remaining part of 1980. The society aims to advance about £330m during the

For management seeking advice on asbestos problems Initial surveys and reports undertaken discreetly and

Highly disciplined site operations, planned in detail for minimum disturbance and using the most advanced aspestos removal or encapsulation techniques. Problems with asbestos or other toxic substances. Talk to John Belcher, Managing Director, Envirocor Ltd., Langton House, Bird St, Lichfield, Staffs, WS13 6PY.

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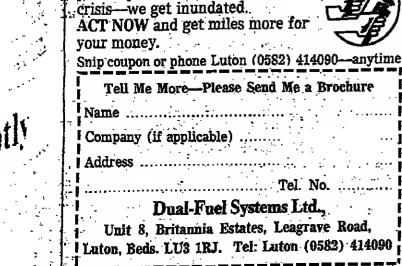
Company Brussels, Belgium, Tel (02) 539.03.00, Telex 64317.

Yes! Ja! Ouil

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more information about the

opportunitiaa for business



agreed by NUR leaders

British Rail compromised on sions

The original deal offered 16 greater opportunity for job per cent from April 21, the dne mobility. This, together with settlement date, and 4 per cent the agreement's commitment to from June 30. The revised packs take an hour off the working against the single 20 per take an hour off the working

cent increase from next Monday any job losses under the pro-The total cost of the package ductivity proposals, the NUR will be about £120,000 more than believes the original £220m deal because

a London weighting allowance. The deal will raise the basic will still be paid from April 21, rate of a railwayman from which will also be kept as the £48.95 to £58.75 and a driver settlement date for next year. from £78.20 to £93.85. Average

The unions have accepted earnings for 52 hour average

the staging of the package, but

stood firm in its insistence that

age will give a single 20 per

soma productivity changes in the freight, parcels and adminis-trative services, and will agree by May 31 a timetable for dis-

The NUR executive threw the

deal into doubt last week

Against the recommendations of

union negotiators, it rejected by

21-6 a two-stage settlement

which had been accepted by the

But yesterday, the executive voted 25—3 to accept a rejigged

single-stage deal which was drawn up in long negotiations

on Monday. The settlement is expected to be clinched at the

end of the week after an execu-

tive meeting of the white-collar

Transport Salaried Staffs'

two other rail unions.

Fervent reception from the troops

# PM supported on EEC budget stance Revised 20% rail offer

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

Mr. James Callaghan, leader of the Opposition mildly criticised Mrs. Thatcher, saying that she had raised has agriculture and fishing interests for a purely temporary alleviation of the budget.

A lone protest against Mrs. Thatcher's tactics ing that she had raised bopes too high in the lead up to the Liberal spokesman, who said many believed that the ahrasive theless be helieved she would fashion in which she had consucceed in the end 'because she has the united support of the House of Commona on this

freeze on agricultural prices was sion, particularly when the tained that the proposal to re-Britain's trump card and German and French leaders duce Britain's net contribution promised that Labour would were facing imminent elections. suport her in not giving way It would have been wise to have on this until the budget issue achieved a future budget She confirmed that the

Mr. Enoch Powell (Ulster gross national product. the offer was on Unionist, Down South), the former Conservative Cabinet "There will be no further for later years."

BY PHILIP RAWSTORNE Margaret Thatcher'a

something close to the spirit of Dunkirk in the Com-

The Prime Minister re-

turned, exhausted hnt un-defeated, from the hattle of

the budget to a fervently

But though she had been

nutnumbered, she had not

been outfought. Nothing had

been surrendered; the con-

tribution had not been com-

joined in a demonstration of

Callaghan

pressed on

sanctions

By Elinor Goodman, Lobby Staff

MR. JAMES CALLAGHAN'S

support for the Government's

line on economic sanctions

against Iran is coming under

increasing pressure from within

both the Shadow Cabinet and

The Shadow Cabinet is to

meet again today, but at a

night it was clear that Mr. Callaghan was in danger of

becoming isolated from his

Mr. Denis Healey, the Shadow

Chancellor, has already publicly queried the wisdom of sanctions

and he was apparently sup-

ported in this view by the majority, of other Shadow

Mr. Callaghan yesterday admitted that be thought the

European Governments were

hecause they thought they

would be effective in securing the release of the hostages, but

because they wanted to demon-

strate that the question was not

a "bilateral quarrel between America and Iran."

he did not criticiae the Ameri-

cans for not having informed

the British Government before

launching the raid on Iran. This

failure to keep Britain informed

has, however, alarmed aome of his Shadow Cabinet colleagues

and added to the fears of some

Labour backbenchers that sup-

porting America on trade sanctions would only be the

beginning of a slippery road which could all too easily lead

now signed a Commons Motion

urging the Government to

oppose sanctions unless the U.S.

Government promises that there

is no queation of military action.

Signature in Paris of Agreement to refinance Zaire's bank debt 23 April 1990 The Republic of Zaire

announced the signature in Paris on 23 April of an agreement to

refinance its uninsured syndi-

The financial elements of this

agreement include a final maturity of 10 years, a grace period of 5 years and a rate of interest based on a spread over LIBOR of 12% during the first 5 years and 2% in subsequent

in addition, Zaire has com-mitted to paying immediately all

Interest arrears as at 31 January

1980 and 10% of arrears of

principal at the same date. During the grace period Zaire will pay an additional 11%

of arrears of principal as at the reference date of 31 January

At the signing, the Minister of

Finance of the Republic of Zaire M. Namwisi Ma Koy said

that the agreement would con-

tribute significantly towards the re-establishment of Zaire's credit in the international bank-

Ing community.
The Minister of Finance added

that the various actions taken to

Implement the stabilisation pro-

gramme, including the agree-ment with the international Monetary Fund, the renegotia-

tion of external financial com-

mitments, and the mobilisation

of external aid, were continuing

with positive and encouraging

results to date.

cated bank debt.

Over 41 Labour MPs have

to military intervention.

Mr. Callaghan also said that

supporting sanctions

Ministers present.

Alarm

Parliamentary Labour

meeting on Monday

Labour and Tory MPs

support for ber

Success had evaded her.

Luxem-

withdrawal from

bonrg yesterday

patriotic reception.

THERE WAS widespread sup- Minister; assured her that a port in the Commons yester- nation which was increasingly day for the Prime Minister's in opposition to UK membership tough line at the EEC Summit of the EEC, was proud and and ber rejection of the offer relieved that she bad declinad to cut Britain's Community Budto prejudice Britain's demands of anti-Marketeers for get contributions from £1,100m agriculture and fishing interests Britain to leave the Community

> ducted the negotiations had of the Community, would be been damaging to Britain's real making further "strenuous been damaging to Britain's real

He thought the offer of a
He reminded her that the reduction was a notable conces-

"You have united the

nation," Mr. Nicholas Winter-ton (C. Macciesfield) cried in

Mr. Roger Moate (C, Faversham) declared that

Britain'a interests had never

been defended with such

atrength and determination.

More notably, Mr. James
Callaghan gave his full back-

ing to her refusal to concede

a year's agreement for £800m.

frustrated, he said. "We hope

yon will succeed in the end

and believe you must because

yon have the united support of the House."

pride and relief — and Mr. Edward Heath left the

bourg summit, Mrs. Thatcher reaffirmed the British Govern-

ment's commitment to support-ing economic, political and

diplomatic action to belp secure

But she repeated that, in

common with other European Governments, British support

would fall short of endorsing

In reply to a question from

the Leader of the Opposition,

the Straits of Hormuz or any-

vesterday that there was no

hance of getting the Local

Government Planning and Land

Bill on the statute book before

try to get the Bill through its

final atages in the overspill session of this Parliament in

This brings the legislation

perilously close to tha deadline for implementing tha powers in

the Bill to penalise overspend-

ing authorities.
As a result of the delay, the

Government is being forced to

take one clause out of the Bill

and rush it through the House

which has ben criticised by MPa

on both sides of the House for

being too long-contains the

power to increase the existing

horrowing limit of the new towns. But the new towns are

required in the field of arms

White Paper which acknow-

now faced an unprecedented

defence equipment than some travel times.

the proliferation of arms.

control and disarmament.

due to run up against their them.

as a single clause Bill.

As now drafted, the Bill-

any U.S. military intervention.

the release of the bostages.

Mr. Enoch Powell voiced his

Expectations had been

admiration.

agreement on other major matters in the Community unless, and until, our own particular problem is settled." She firmly rejected the budgetary and other con-demands of anti-Marketeers for sequences which Britain could

"We have—I repeat—no intention of coming out of the Community," she emphasised. She still believed a satisfac-

tory solution would eventually be found. Over the next six weeks, Sig. Cossiga, the Italian Prime Minister who is President making further efforts" to work out an acceptable formula.

tained that the proposal to rement nearer than ever before. restuructured on the basis of stumbling block had hean that the offer was only for 1980 and Mrs. Thatcher told tha Housa: no agreement had been reached

Mrs. Thatcher accepted the

tributes modestly and dealt

gently with the sole dissent of Liberal MP Mr. Russell

Her abrasive negotiations

had damaged the country's real interests, Mr. Johnston

claimed, "Surely It is not the

object of British diplomacy

to isolate Britain?" he demanded.

description of ber methods.

retorted that whatever the

they had persuaded the rest

of the EE Cto offer a very

significant reduction in the

But to give something permanent in return for a

Increased speculation on

reports that Diego Garcia had

been used by the rescue planes.

Mr. Tam Dalyell (Lab. West

Cothian) quoted the Defence

Secretary as saying on Monday

that he was unable to say

whether be knew if the base

Mr. Dalyell argued that the

Commons had a right to know

if a British base bad been in-

volved. But Mrs. Thatcher

every report about movements

Planning Bill peril over deadline

Mr. Tom King, the Local

mittee proceedings, that since

getting it on the statute book

by mid-September, the Govern-

ment intended introducing a special single clause Bill to deal

with this one aspect of the

triend to introduce the local

government legislation in the

Lords. After objections, it with-

drew it and introduced it again in the Commons—less some of

But this still left around 140 clauses—including the highly controversial proposala for penalising big spending local authorities and for changing the

rate suport grant-and the com-

through about two-thirds of

front bench spokesman on allies in NATO to pretend that and, we believe, will provide

Mr. Keith Speed, Under

for

will provide a 50 per cent

From July 1, all members of

to a forces rail card for use

Ministers had been hoping trying to prevent,

Defence.

Labour criticism on arms control

its peripberal clauses.

The Government originally

had been used.

Government

legislation.

The Prime

budget controbution.

use of Diego Garcia

creased speculation yesterday intervention." that the American planes had To Labour jeers, she also

used the British base of Diego drew a distinction—which Mr. Garcia in their ill-fated rescue Callagban shared to some of

attempt of the hostages beld in his backbenchers' fury-be-

in her statement on the Luxem- Labour backbenches to deny

she expanded this to make it refused to be drawn, insisting

clear that she would not be that she did not want to get

prepared to go along with either · herself into the position where

the mining or the blockade of she bad to "confirm or deny

thing else which fell within the through allied bases."

THE GOVERNMENT admitted the middle of September.

the summer recess. It will now there was now no chance of

Defence, attacked the Govern- we can carry out a set of tasks

ment last night for failing to which clearly demand more re-

Speaking on the second day announced during the debate

of the debate on the defence, that British Rail is to introduce

estimates, be maintained that it a new concessionary fares

was unacceptable for the Gov- scheme for private travel by

ernment to present a Defence members of the Services which

threat to peace and security and the regular forces, and their

then to do so little to demon- wives or husbands and depen-

strate that it wanted to control dant children, will be entitled

Mr. Roper stressed that on private journeys, subject to

Britain was speoding more on certain restrictions at peak

nf ber European allies in NATO. . Mr. Speed told MPs: "Bear-

properly defended but it is not private travelling servicemen

He declared: "We must be ing in mind the amount of

ledged the fact that the world saving on standard rates.

Secretary

take the initiatives which were sources than are available."

At Question Time, and later Mr. Thatcher was pressed by

She said ahe had made it clear to our partners that the earnest of good faith," she proposals for an increase in agricultural prices would have

not accept. Nor could we accept the sheep meat proposals as these would have been seriously disadvan-

tageous to Britain.

In addition, the UK had made it clear that more work must be done on a common fisheries policy and that to be acceptable, it must safeguard the vital interests of the British fishing industry.

ble formula.

Our partners had to underThe Prime Minister main- stand that these matters could not be dealt with unless, at the Far from restructuring tha

Common Agricultural Policy, the current proposals would have increased the proportion of the budget going to agricul-

temporary advantage was never a good bargain, she declared.

suggested that Britain had so

far got an even worse bargain

than that from its member-ship of the EEC. Were there

any contingency plans for a permanent withdrawal? they asked hopefully.

Not at all, Mrs. Thatcher replied. "I believe it is wholly in the interests of this

wholly in the interests of this

country to be, and to remain, in the EEC."

tactical manoenvre — and

looked forward to continuing

the campaign to a satisfactory

resignation of Mr. Vance as the

U.S. Secretary of State. But she

defended the U.S. Government's

right to launch a rescue attempt

without consultin gher allies in

ment, and in most matters they

would naturally consult us," she said. But if it came to

organising a rescue operation, "any country thinking of it

During the questions, a number of backbenchers from

both sides showed their anxiety

about being dragged along oo

Mr. Dennis Walters (C., West-

burg), said that while people

could understand America's ex-

asperation over the hostages, an "erratic foreign policy" in a

crucial area was unsatisfactory,

and that there must ba a united

that the Bill would get tha Royal

Assent before the summer recess in August. But it has run

up against the log jam of

legislation awaiting scrutiny in

Environment Secretary, was

very anxioua to bave the legisla-

tion to enable the urban

development corporations to

start work in the summer. They

will now be put back until the

ment to get the Bill onto the statute book this session. Other-

wise the new system of rate

support grant cannot be intro-

duced in 1981-82 and there will

be no powers to penalise the

1980-81. They will then be able to claim the standard portion

of their overspending back

the annual increase order-

worthwhila extra business and

He quoted the saving on a

journey from Portsmouth to Edinburgh — £9.50 compared

with a weekend return and £25

compared with an ordinary

return-as an example of the

henefits provided by the new

scheme which, initially, will

run for an experimental period

Mr. Speed described the 16.8

per cent average increase in

in the day by the Prime Minister

-as "not extravagant compared

He underlined the improve-

serving personnel and recruit-

with some settlements in the

private and public sectors."

to December 31, 1982.

revenue for British Rail."

overspending authorities

It is essential for the Govern-

Michael Heseltice.

the Lords.

the Americans' coattails

questions,

"We owe the U.S. our judg-

The retreat from Luxem-

had been only a

Several

"That really did not seem an

BRITISH RAIL yesterday yesterday after the NUR follow any productivity agree-seemed finally to have con-decision. ments reached in these discus-The French Press and the German Chancellor had sugcluded a pay deal for its 180,000 gested that the question of restructuring the CAP could be railway workers when the executive of the largest union, reviewed next year. the National Union of Railway—this year's deal should be linked unions have agreed to review men, agreed to accept a revised to a commisment on major protheir redindancy and resettle20 per cent pay and productivity improvements, ment arrangements to provide package.

The original deal offered 16 greater opportunity for 10b

"But it was not enough to place one's faith in a review. One wanted a longer duration of the agreement," she commented. The Prime Minister played

down suggestions that Britain should now withhold VAT contributions from the Community. She recalled that she had already said that this could be done as a last resort, but emphasised that she boped for agreement without such a

An opportunity to curtail the CAP would arise when the limits of 1 per cent of VAT contributions from member nations was reached. This would happen soon.



### **'Abolish** Clegg awards'

By Robin Pauley

GOVERNMENT yesterday urged to abandon, Clegg comparability Sir Gervas Walker, chairman

of the Association of County Councils, said the awards should be abolished immediately as they added to inflation without improving producivity. The concept of Clegg had been launched to get a previous Government "off the book' over public sector manual workers' pay before the implica-

tions had been thought through. "We warned the last Government about it and one bopes that it is now at an end." Sir Gervas said. One problem had been that the Government fixed the level

of rate support grant for local authorities last autumn without saying what provision for comparability awards bad been Mr. Michael Heseltine, En-

vironment Secretary, has per-sistently refused to give the figure and merely repeats that it was " adequate and realistic." The local authorities suspect it was neither. "If comparabi-

lity is to be continued, we shall never again accept the Government's word on provision for It within the rate support grant without knowing what the figure is. We are not going to take this on the nod again," Sir Garvas said.

difficult position on pay and comparability awards because some would have difficulty in meeting demands which were at, or slightly above, the present 20 per cent level of inflation.
"We cannot afford much more

than about 10 per cent," be said, although he agraed that because of balances and scepticism of Government figures by many councils, supplementary rate demands in the autumn were unlikely in more than a few

The most pressing problem was the current round of negotiations on teachers' pay. The exactly what the Government is teachers have been offered 10

Recruiting in the 12 months

just ended was expected to total

50.000 men and women, and

thia would make it one of the

best recruiting years since the

improvement" over 1978-79

when recruiting totalled 43,360

new proposals were in course of

preparation to provide Army

proved opportunities for home

The majority of officers and

men in the Royal Navy were

already purchasing their homes

advance of pay scheme, and it

It represented a "substantial

Mr. Speed also announced that

ending of conscription.

Service pay-announced earlier and RAF personnel with im-

ments in morale, retention of through the long acrvice

ment which had flowed from the was hoped to provide similar Government's decision on taking opportunities for those in the

ownership.

# Setback in bid to join confederation

PROSPECTS OF the non-tion would have amounted to political Engineers and an acknowledgment by other Managers Association becoming TUC unions that the association part of the Confederation of has a valid role in engineering. Shipbuilding and Engineering and would have enhanced pros-Unions collapsed yesterday.

Union of Engineering Workers engineering section executive, which has been supporting the association's efforts to join the confederation, was told by its national committee in Blackpool that it must stop doing so. With only a single delegate voting against, the committee instructed the executive that

association has been engaged in

pects of recognition from employers. Yesterday's vote was the most

serious defeat which the rightwing AUEW executive has faced at the bands of its policymaking national committee this

The engineering section leaders have been supporting the association's confederation application in spite of the fact that TASS, the AUEW's own Communist - led white - collar section, is the association's most vocal and determined opponent Sir John Boyd, general secre-

tary, told national committee delegates that the executive hoped to be allowed to continue its policy of supporting the association. He said there was scope for it to recruit and it had given assurances that it would not posch other union's members. members.

Rejecting the application, said Sir John, would close the

door on "a growing organisation, which can make a valeable and talented, contribution to think ing in the confederation.

Delegates feared the associa

tion would use its position craftsmen may lead to them. enlarge its membership at the

### NGA works on in print chief's firm

ments reached in these discus-

compulsory dismissals, and the

week next year, should stave off

week for a railwayman will rise from £86 to £101.20; for a guard from £95 to £124.85; for \$2

driver from £111 to £137.42 and

By Pauline Clark, Labour Staff

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MR PETER MEDCALFE, president of the British Printing Industries Federation, admitted lest night that craftsmen were continuing to work in his own printing company despite the federation's call for a national lockont.

call for a national lockout.

His company Hunt and Barnard of Aylesbury Bucks, decided to reinstate 50 members of the National Graphical Association after suspending them on Monday. Mr. John Wood, president-elect of the BPIF, has also continued that his company, McCorquodale, with 1,000 NGA members, refused to suspend them without pay on Monday, when the national lockout was called.

The National Graphical

The National Graphical Association pointed vesterday to a picture of crumbling support for the lockout of its

provincial, members among tercial print companies. Mr. Medcalfe emphasised that the "minority" of his company's NGA members who had agreed to continue workings were not being paid the new rate domanded by the NGA. He added that further industrial action by the print-

he said the company, which specialises in book printing and gramophone record labels, had been placed in a difficult position, because two rival companies had failed to impose a lockout. Companies

in the BPIF which had not imposed lockouts had taken the decision for the "highest" motives," he said. The federation is clearly embarrassed by the failure to suspend printerafismen by some of its members although it comphasises that the najority are determined not.

to meet the NGA's demand.
The NGA claims that the
"vast majority" of its
members in the industry have not been locked out although widespread lockouts bave been imposed by provincial

newspaper employers.
Only 10,000 of the total
60,000 NGA members involved in the national dispute over print craftsmen's pay are employed by provincial newspapers the union claims.

The federation reported.

yesterday a continuing "satis-factory" response by its 3,700 member companies to its call for concerted action against the NGA this week although it has suspended 100 companies who have yielded to the NGA's demand for an interim pay settlement giving printer £80 minimum earnings. earnings.

Most provincial newspapers did not publish again yester day and the London Evening News became the latest Fleet Street paper to be hit.

By Nick Garnett, Labour Staff

MEMBERS of the Banking, Insurance and Finance Union are expected to be issued with formal working guide-lines covering their union's policy on extended bank-opening hours. This follows a decision by the union's conference in Folkestone yesterday to clarify and strengthen

NUCLEAR SHELTERS

Our prestige information centre will shortly be established adjacent to Hastings Station, East Sussex, with most states or parking facilities. Steel and Concrete Nuclear Shelter for private forners

designed by international contacting engineers to Home Office Standards will be marketed from these offices in Hastings but initially nally for counties Spritt-East of London. DAFAL LIMITED

fair to those who serve us in have to du, this should Government's decision on taking opportunities for the armed forces nor to the constitute a real improvement office last year to give priority Army and the RAF. Companies were waiting to

BY ALAN PIKE, LABOUR CORRESPONDENT

The move could have had

profound implications for the trade union organisation of senior professional staff. However, the Amalgamated

"under no circumstances must they support the application of the Engineers and Managers Association to affiliate to the confederation."

Deprived of AUEW support it is most unlikely that the association's application will succeed when it is considered at the confederation's annual meeting in June. The con-

a fight to expand its traditional base in electricity supply and represent senior engineers and

federation coordinates all 18 TUC engineering unions. In the past four years the

ing and related industries. Admission to the confedera- expense of other unions,

# Opposition to BL fades as Jaguar strike ends

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT FINAL OPPOSITION to BL workers.

Cars' controversial pay package crumbled yesterday with an overwhelming vote hy 1,800 workers at Jaguar, Coventry, to bandon their two-week strike The men walked out in protest at a new grading struc-ture. They agreed to go back

and allow their case to be put through an appeals procedure. The decision caused some relief within BL. There had been fears that management might be forced to go ahead with the threat to sack strikers which could have jeopardised

Jaguar'a future. Local authorities were in a BL has not pulled back from implementing a 5 per cent pay award linked to key working

practice changes, in spite of strikes at tima involving 15,500 laid off.

, Management has won deci sively the set piece confrontation with organised union opposition. Now it faces shop floor resistance in implementing details of the package. Typical of the unrest bound to follow in the next few months was yesterday'a walkout at the Cowley body plant, Oxford, by

The company has said that, under the new conditions, that painters must don overalls and justify payments up to £14 a

Negntiations continued into the night Production of Princess, Maxi and MG models was disrupted; with 250 workers

# Court threat to unions

SHOP-WORKERS

yesterday opposing the calling of a strike for the TUC's Day of Action on May 14, the Institute of Directors asid that large com-panies might take legal action against trades unionists, If the companies auffered losses as a result of the one-day protest. The conference of the Union of Shop. Distributive and

Allied Workers, Britzin's sixth largest union, voted overwbelmingly in support of an executive report which con-demned the Government's money. The day of action could Employment Bill but did not result, he said, in a los of £315m. MR. JOHN ROPER, a Labour citizens of this country or our in their conditions of service to restoring the pay of those in commit the union to specific the Services to full comparability with their civilian counteraction. Delegates rejected a motion

calling for strike action and supported the executive's recommendation that members take a

could leave the union "with egg on its face" and that ediscussion on the TUC general conn-cil, of which be is a member, bad revealed that other unions were in the same position. "There is a degree of confusion among nations affiliated to the TUC about how many of

their members will come out," he sald. The Institute of Directors said yesterday that legal action was likely to be taken by large companies over the day of

hear from the Government whether the unions were proteceted by current law against suits for damages for this kind of "political action." The Institute hopes a Commons question will be tabled on the issue. A Lords question is down for next week. Mr. Walter Goldsmith

director general of the institute said companies who suffered any los should not hesitate to bring proceedings against the unions involved, to recover The Confederation of British Industry said yesterday that it

considered that the proposed stoppage was unlikely to enjoy the protection afforded to Industrial action in pursuit of a trade day'a boliday on May 14. dispute. CBI member firms.

Mr. Bill Whatley, general were being urged to stay open secretary, said that a strike call as usual on the day.

Bank hours' guidelines

# DAFAL LIMITED

Wenbans Lane, Wadhurst, East Susser

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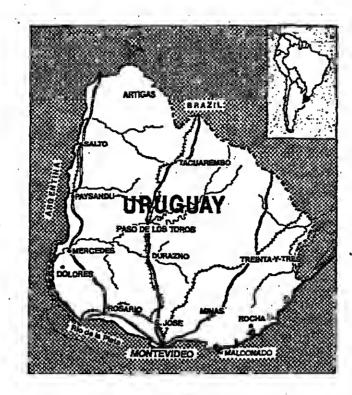
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During recent years, Uruguay has been developing a new economic strategy, in an attempt to reverse a situation of long-standing relative stagnation, which was one of the main features of the economy for nearly twenty years, until the mid-seventies.

In this respect, during the severe crises of both domestic and external origin that struck the country during 1973 and 1974, the economic authorities developed a more profound economic policy, defining a strategy that implicitly recognized that the long-term solutions of the problems of the country were beyond the stabilizing measures.

The starting point in this change of attitude was the recognition of the existence of a general missise of productive resources, originating in policies of widespread intervention and control exercised by past governments. This intervention distorted the general system of prices, hence interfering in its function as a mechanism of information and orientation of social productivities.

It was therefore necessary to form a progressive and modern programme suited to present world circumstances and to remove out-dated programmes, which might have been valid thirty or forty



years ago within a very different international framework, but which were no longer realistic.

During the implementation of this strategy, the sectors registered different rates in their rhythm of adjustment, partly because of technical factors, partly because of availability of different resources and partly also because of social issues which cannot be ignored.

The different instruments used to implement the general strategy, as well as specific measures, are a good means of evaluating the main objectives declared in that strategy. However, every global economic policy, when applied in a certain context, is never a coherent set of decisions working at an indentical pace. It appears rather as a set of decisions taken at different moments, where the social and political correlations are not identical.

It is in the medium and long-term that all these measures and decisions rearrange themselves under the main leading principle. This is why it is so important, when evaluating the potentials of the strategy, to keep a long-term view, and analize with caution possible contradictions, allowing enough time for the instruments to work as

### FOREIGN TRADE OF URUGUAY

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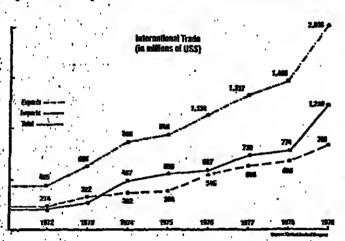
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The share of the external sector in the economic activity has registered further improvements, following the substantial opening up of the economy.



### Transactions with the UK

Traditionally Uruguay and the UK have maintained considerable and profitable commercial and financial relations.

These have existed since the middle of the last century, with the development of an important current of trade. Later on successive British investment participated in the Uruguayan economy, helping its development.

This considerable business flow between the two countries has existed until present times and is reflected in the figures below.

### Commercial trade with the UK (thousand US Dollars)

Uruguay: Total exports to U.K.	24.256 17.448	13.416
Uruguay: Total Imports from U.K.	.17.445	- 24.735
		•

The main items of Uruguayan exports are agricultural products, with various levels of processing, while imports had consisted mainly of industrial products and capital goods.

### Uruguay-U.K.: Main Items of Trade (thousand US Dollars)

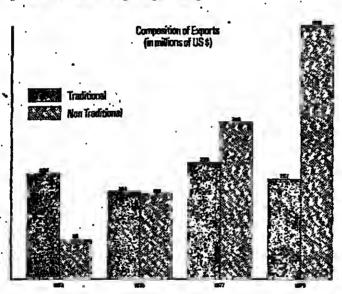
				1578	1979
Main Exports to UK					
Meat				<b>64</b> 1	213
Fish	•			. 6	· <b>23</b> 5
Carics	-	٠.		79	. 147
Rice	-			6.027	2.114
Sheepskins				236	1.613
Handbags etc.				284	474
Wool		_	•	14.634	5.808
Woven fabrics		•	•	294	. 859
Footwear	:			601	567

### Main Imports from UK Inorganic products 220 479 Polymerisation and Copol. 112 286 products 403 Piston engines 498 Excavaring, levelling and extracting machinery 609 348 562 2.742 Tractors Vehicles 3.260 5.598 Spare parts and 1.487 1.203

In a few years Uruguay has multiplied the volume of its exports to a considerable extent, and at the same time has diversified its external markets to a high degree. Until 1973, Europe was Uruguay's main export market and accounted for 75% of export earnings.

These figures have decreased in the last five years, representing now around 42%. The LAFTA area, of which Uruguay is a member, has increased its share, and from 10% in 1973 has risen to 37% in 1979. The U.S. has also increased its importance, accounting now for

Agriculture plays a fundamental role in Uruguayan exports, as between 80% and 90% of total merchandise exports are agricultural products in different stages of processing.



### MAIN EXPORTS OF URUGUAY IN 1979 (million US Dollars)

	. (HILLIOIT CO DULIATS)		
	Animals & animal products		169
	Vegetable products		89
	Animal & Vegetable fats & oils		11
	Foodstuffs & Beverages		25
	Mineral products		14
	Chemicals	• •	25
•	Hides, skins, leather		149
	Textiles and textile articles		178
	Footwear		28

### PRESENT DEVELOPMENTS OF THE **ECONOMY**

The new economic process has meant:

2. Changes in the functioning of the system of prices, with the elimination of the mechanisms of controls, and the consequent

liberalization of the prices.

b. Restructuring of the fiscal system, reducing the burden on productive activities and investment.

c. Changes in trade policies and mechanisms with a general liberalization of transactions.

d. Reform of the foreign exchange mechanisms, with free movements of capital, free transfer of yields and profits of foreign

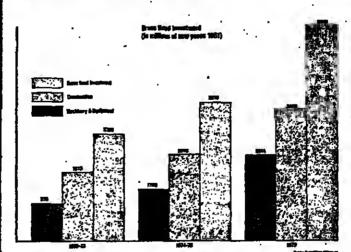
During 1979, this process of change added important results to those already achieved, and an overall view of the results accumulated during this period of reform, shows that at the end of 1979 the GDP was 30% above the level registered in 1972, and greatly exceeded the

15% achieved in the 17 years between 1955 and 1971. The various incentives defined by the government have promoted considerable new investment in different areas. Hence, while in 1973 the share of gross fixed investment in GDP was 10.7%, after successive important rises, this abare increased to 21% in 1979, with a significant impact on the levels of employment.

The Central Government which in 1975 had registered a disequilibrium of around 27% in its accounts, showed in 1979 a small surplus of 1.4% in its revenues, over total expenditures.

### Production and Investment

The economic results at the end of 1979 showed a growth of GDP of 8.4% in real terms, compared to 1978, and is an encouraging contrast with the weak average rate of approximately 1% p.s. registered during the fifteen years from 1959 to 1973.

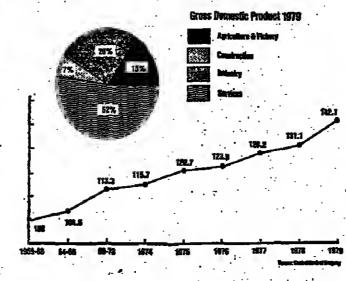


### Gross Domestic Product by Sectors (Cumulative annual rates of growth by period)

( AMERICAN PROPERTY )	- L	-	merca or Bro	war of po	,
			1969-73	1974-78	1979
GENERAL			1.3	3.2	8.4
Agriculture	-		2.8 .	-0.3	2.7
Fishery			· 8.4 ·	32.5	38.8
Manufacturing			1.5	5 <b>.3</b> .	10.1
Construction			-0.2	10.6	19.9
Contries			. 10.	2.4	7.6

The expansionary trend shown in manufacturing since 1974 remained unchanged in 1979, and the global rate of growth of the sector reached 10%. Because of its high share in total GDP, manufacturing was the sector with the main impact in global growth.

Nearly all the branches of industrial activity have shown important increases of more than 10%. Non-traditional exports became once again an important expansionary factor, but there was also an upsurge of global domestic demand which explains the growth in the branches of industry supplying the domestic market. Within this global demand, the demand for domestic consumption played a more active role than in previous years, showing a rate of increase of 10% in real terms. This is directly linked with an important upsurge in employment levels and improvements in real wages. Most of the sectors of activity are paying wages considerably above the minimum legal level (which is the one registered in statistics).



The prospects obtained by participating on better terms in the markets of Argentina and Brazil, deriving from Commercial Agreements with these two countries, provides Uruguay with important favourable conditions in export products to a potential market of 136 million inhabitants.

Agriculture has also shown positive signs, growing at a rate of nearly 3% in real terms. This, as a result of promoting measures, granting incentives for higher investment and increased profits. These measures included:

 liberalization of prices for beef, cereals, and oilseeds, which, in the future, instead of being administered, will be determined by supply and demand.

freedom to export cereals and oilseeds.

 freedom to establish slaughtering plants all over the country, for domestic supply, exports or both.

- the removal of surcharges on imports of fertilizers, and the introduction of a single 10% import surcharge on assembled tractors and farm machinery.

This process of sustained growth has been accompanied by rising levels of investment. The increase of the Gross Fixed Investment in 1979 has been 28.5% in real terms, and this meant an improvement of the share of that investment in GDP, hence representing now 21%. In this process, investment in machinery and equipment grew 42% in volume and this result grows in importance when one considers that in some way this behaviour of investment is indicating what the future trend of GDP will be.

The doubling of the part of the Gross Fixed Investment in the GDP, in six years (from 10.7% in 1973 to 21% in 1979) shows the important chort the country has been making to en expansion of the economy during the next years.

### **External Sector**

Uruguay registered once again in 1979 an important gain in net international reserves, this time of US\$ 68 million.

This was achieved despite the deficit registered in the trade account, where exports totalled US\$ 788 million and imports US\$ 1.230

This substantial flow of foreign trade, which now amounts globally to more than 2 billion dollars, reflects the influence of the liberalization of the sector at large (in the four years 1970-1973 the average annual ammount was US\$ 483 million).

Non-traditional exports increased their participation in total exports, representing at present 72%. This performance allowed a bigger diversification of the sector as a whole, and at the same time increased the development of activities with a higher share of value

Total imports experienced a marked increase of 59% with respect to the previous year. Imports of capital goods represented 45% amounting to US\$ 151 million. Together with intermediate goods, they account for 70% of total imports and this reflects the growth of investment and activity in the economy.

The great inflow of private capital (US\$ 379 million) was more than sufficient to cover the trade gap and generated an increase in net reserves of US\$ 68 million.

Capital flows of this magnitude have been made possible by the existence of a free exchange rate market, which operates withour restrictions or regulations of conversion and transfer of funds. This: situation is strengthened by a general climate of stability.

At the end of 1979, the total external debt totalled US\$ 1.682 million and the net position of reserves of the Central Bank amounted to US\$ 667 million. This includes 3.3 million ounces of gold priced at US\$ 155 per ounce.

A negative aspect of the results registered during 1979 has been the acceleration of the rhythm of inflation, with the rate reaching 83.1% at the end of the year.

Since the liberalization of the functioning of the economy also allows for contracts including clauses with mechanisms of indexation that the parties may wish to apply and also in currencies other than the New Peso, in some cases the danger of that increase has been reduced.

Nonetheless, the behaviour of prices represents a major problem for the authorities.

Factors of external origin may explain a considerable part of this acceleration. The important rise in international prices of the different goods and commodities which constitute the basket of "tradeables" of Uruguay have introduced significant pressures.

Together with this, the persistent gain of international reserves has provoked an expansion of the money supply validated through the present regime of fixed rates of exchange that has been in operation for the last 15 months. This problem seemed inevitable in this period of transition where for social reasons liberalizing measures in the real sectors and in the reallocation of resources (reduction of tariff barriers, removal of redundant protection, etc.) have implemented at a slower pace compared with the changes in the

However, the twelve months until February 1980 show a small deceleration of the rhythm of prices, reaching now 77%, and the index of wholesale prices has decreased from 77% at the end of 1979 to 66% in February, 1980.

A positive influence on this feature is the elimination of the fiscal deficit, which in the past was one of the main elements explaining the increase of monetary demand and the pressure on prices.

### MAIN ECONOMIC TRENDS

The first years of the new policy were evaluated by the World Bank in a report on the country in the first half of 1978.

### WORLD BANK - SOME CONCLUSIONS

During the last four years (1974-1977) the Urugusyan economy has been undergoing an important transition process from a situation of fiscal and balance of payments crises to a period of moderate and steady growth (2.6% per capita per amum between 1973 and 1977). This is a significant accomplishment in view of the difficulties experienced since the mid 1950s in sustaining positive rates of economic growth. Between 1954 and 1974 real per capita income increased at 0.5% per annum as the country encountered difficulties in improving living standards in the face of deteriorating terms of trade and a burdensome and ineffecient industrial structure. Resources were drawn out of an already weakened agricultural sector to finance transfers for urban consumption and industrial activities with a low productivity. The result was the gradual stagnation of exports and periodic belance-of-payments crises. Inadequate fiscal and monetary management contributed to persistent inflation. The recent recovery of the economy has occurred in the face of generally adverse international factors such as the quadrupling of oil prices and protectionist policies against beef imports in the traditionally key market of the European Economic Community (EEC). The turnaround in economic performance is explained by a fundamental change in the authorities development strategy from an inwardlooking to an export-oriented growth policy.

Economic policies since 1974 have simed at stimulating investment while discouraging consumption growth. Liberalized financial and import regimes as well as the gradual elimination of domestic price controls and restraint on wage adjustments showed results again in 1977 Investment expenditures reached record levels at real fixed capital formation registered a 19% increase over the previous year, owing to the investment activity in non-traditional export subsectors,

and the construction of the Salto Grande (jointly with Argentina) and Palmar dams. The higher investment levels were accompanied by a continued full in the share of consumption in GDP and an estimated drop in real wages of roughly 15-20% during the three-

Despite increasing imports and large service payments on external debt, the current account deficit has been reduced from an average of US\$ 160 million in 1974-75 to US\$ 85 million during 1976-77. Private short-term capital inflows, stimulated to unprecedented levels (an average of US\$ 175 million during 1975-76) by high interest rates, have been the other major force explaining the rapid recovery of the external sector from the 1974-75 crisis produced by the quadrupling of oil prices and the closure of the EEC beef market. These capital inflows also partly reflect the enhanced confidence of the international financial community in the country's economic outlook. Net international reserve gains of US\$ 112 and US\$ 161 million have been achieved in 1976 and 1977, respectively, compared with losses of US\$ 58 and US\$ 73 million during the previous two years.

Over the foreseeable finture, Uruguay's overall economic performance will be considerably influenced by the evolution of nontraditional manufactured exports. The prospects for Uruguay's nontraditional manufactured exports should continue to be favourable, particularly in the case of products based on demestic agricultural inputs, where the possibilities offered by external markets have not been fully tapped. Leather products, including shoes, and woollen textile products should continue to provide the lead in export expansion. A recent study of Urugusy's textile and apparel has . indicated that good export possibilities exist for woollen men's suits. sweaters, and ladies coats. In addition to these products, there are a number of others which enjoy good prospects based on recent experience and their relatively high share of domestic value added. These include: (a) suxiliary products for the apparel industry; (b) agroindustrial products, including fish; and (c) tiles, ceramic wares, and glass.

DIVIDENDS ANNOUNCED

Dividends shown pence per share net except where otherwise stated.

\* Equivalent after allowing for scrip issue. † On capital

Date

July 8

July 7 3.96

Corre- Total

# Simon Engineering over £18.5m on £324m sales

Engineering advanced from £16.61m to (40.1p) after. the mild distribution from £18.54m in 1979 as a whole. The is raised from 6.0652p to 7.33p, figures include interest receivers for a total of 11.33p (9.0652p), as forecast at the time of the rights and associates profits £648,000 against £627,000.

The contents of this page are a summary of the news from yesterday's

minorities

taxable profits of Nordin and Peacock, cash and carry whole-

The net total dividend is stepped up by 75 per cent to 3.6p (2.0579p), with e final of

Mid-term profits were up from £1.5m to £2.32m, and the directors expected the second half to show an increase over

They now say the group has mede an encouraging start to 1980, bearing in mind the high

was struck after making an additional allocation of £600,000

to the pension fund and provid-ing £371.000 for the staff share

degree of competition on the grocery side. They hope full-year sales and profits will again be at record levels.

higher et £226.5m.

Trading profits of the Foseco metals sector rose from £14.89m to £16.72m, while those of Fosroc

participetion scheme.

Eerninga per 10p share are The cost of group management shown to have risen to 22p (16.3p). after a reduced tax charge of £717,000 (£740,000)—

SSAP 15 has been adopted and SSAP 15 has been adopted and services were up from £1.88m to £2.58m.

comparison restated.

The net total dividend is raised from 5.2443p to 6.41p, with a final of 3.76p. Earnings Per 25p share are shown 1p gnawed away et profits growth higher at 20.7p.

substantial enhancement of its £1.65m to staff profit-sharing

on fixed assets, authorised, but not provided for in the accounts totalled £5.04m (£3.57m) for which contracts have heen the contracts have heen to the contract of the contra

group's pension scheme is particularly well funded, relative Although anxious about the level

AMERICA'S AMAX international natural resource group has been named by the Dutchbased Patina NV mining concern in the latter's dispute with the French Corresponding to the latter's dispute concerns Patino's \$18.9m (£8.5m) investment in the French-registered Corresponding to the latter's dispute concerns Patino's \$18.9m (£8.5m) investment in the French-registered Corresponding to the latter's dispute concerns Patino's \$18.9m (£8.5m) investment in the French-registered Corresponding to the latter's dispute concerns Patino's \$18.9m (£8.5m) investment in the French-registered Corresponding to the latter's dispute concerns Patino's \$18.9m (£8.5m) investment in the French-registered Corresponding to the latter's dispute with the latter's dispute with the latter's dispute with

the French Government over the bigh grade nickel deposits in multi-million dollar nickel. New Caledonia which were discohalt mining project in New Covered and given preliminary

1965 and 1969.

business, he tells members in schemes.

For 1980 capital expenditure

entered. The group is committed to repurchase £20.78m of gilts from the Bank of England. The

directors state that no profit or loss will arise from this transaction.

·Lord ·Clydesdale believes tha

year under review the funding

Amax and the French Govern-

ment's Burean de Recherches Géolagiques et Minières (BRGM)

are to appear in June before the

at the Toronto meeting that he

was optimistic about the

Tribunal de Commerce de Paria as defendants in the action for damages being brought by

BY KENNETH MARSTON, MINING EDITOR

funds but needs mines

money power is not connected, Newfoundland

-THE CANADIAN Northgate the bulb will not shine when the Exploration hase metal group's switch is turned on," said the chairman, Mr. Pat Hughes, said president and chief executive.

his annual statement.

in the second balf, Nurdin and Peacock has turned in a pleasing performance. Perbaps the most Despite the steel

WITH second half pre-tax profits £8.51m, and earnings per 25p moving ahead from £10.3m to sbare are 50.7p (41.8p) before exchange differences and 48.4p (40.1p) after. The final dividend

> Turnover climbed from £235.6m to £323.9m. with the process plant contracting division show-ing the biggest increase, £73.92m £123.1m. Turnover by divisions: food engineering £67.9m (£58m); manufacturing £48.46m (£43.49m); merchanting and storage £76.68m (£60.2m); oil ser-

£1.14m at £5.97m (£3.1m). Others con- or more at the pre-tax level. The (£681,000) and exchange losses tributed food engineering shares now stand on a modest £538,000 (£348,000), attributable £5.27m (£5.3m); manufacturing rating of about 6½ times prospectorist was £11.32m against £1.69m (£3.8m); process plant tive fully-taxed earnings.

Nurdin & Peacock passes £7m

saler, to a record £7.05m in 1979, than elsewhere in the sector but against £5.44m previously. Sales N and P has consistently manwere £43.45m higher at a best-aged to outperform, challenging towards non-fods.

A SIATIC second hair left taxable profits of Foseco Minsep ahead from £17.37m to £18.43m in 1979, on turnover £24.08m higher et £226.5m.

building and construction pro-

ducts increased by £0.31m to

£4.74m. However, the contribu-tion from trading interests of

Fosmin fell sharply to £0.29m

Bank of Scotlond well placed

Current cost taxable profits are

shown at £22.5m (£26.2m), after

current deposits and other accounts at £2.4hn (£2.03hn) and

advances to customers and other

items at £1.96bn (£1.58bn). Meeting, Edinburgh, on May 20

of the imminent clearing bank

MINING NEWS

Patino challenges BRGM, Amax

covered and given preliminary development by Patino between

Patino estimates that with

has so far cost it some \$79m, but

the gross value of the recover-able nickel end cobalt contained in the ore reserves is thought to

Northgate Exploration has BRGM formed e French company Société de Promotion des Mines, into which it put the 90 per cent

While looking for the switch via uranium exploration in

• comment

policy resulted in contributions pay settlement, which could well retain a 66 being 131 per cent higher than mean e rise of 50 per cent over provision.

sales; margins in food whole, that the majority of property is saling are traditionally lower freehold but there was also an

Static second six months

leaves Foseco £1.06m up

STATIC second half left Foseco Minsep is still looking for

mark and lifts payout to 3.6p

services £552,000 (nil). comment In spite of pressures on the

engineering side, where margins Yorklyde generally were squeezed and two of the companies turned in osses, pre-tax profits as Siman have risen for the eighth consecutive year. The main boost came from a near doubling of the contribution from merchanting. and storage in the wake of the Iran crisis to £6m. With contracting profits of at least film in band from last year's deliveries age £76.68m (£60.2m); oil services £7.75m (nii).

Merchanting and storage prowided the major share of profits
5.55m. minorities £1.14m

age £76.68m (£60.2m); oil services and a contribution of another a

growth this year. That should

is remembered that the UK con-

ributes no more than 5 per cent

of metallurgical profits and, in

any case, imports appear to be

production. Fosrec, of course

takes ebout balf its profit in this

country but the group is still looking for growth in the con-struction chemicals market and

the benefits from grass root expansion in five new countries

should start to bear fruit by the end of this year. Fosmin, a disappointment last time, should recover in 1980 with the injec-

tion of new management and

product correction. Given a reasonable run, tha group as a whole should be capable of at least £19.5m pre-tax and probably more if currency movements

assets as part of monetary work-ing capital; if it had, current cost

profits after tax would bave been just / about nil. The problem arises largely because the Bank

of Scotland group is relatively large in leasing, and cautiously

retain a 60 per cent deferred tax

be bought out of the venture under an agreement with BRGM

which Patino claims has been violated.

French Government was pre-

pared to go ahead with the min-

ing and metallurgical project

with French interests, Patino agreed to transfer 90 per cent of

Cofremmi to BRGM in May, 1976.

In return the Dutch company received 59m cash and was given

royalty and profit participation rights in the vanture.

The dispute arises out of a development in 1978 whereby

Cofremi holding. The new com-pany became 51 per cent-owned by BRGM and 49 per cent by

Although the new company left control of the nickel-cobalt

venture in French hands, Patino

Following assurances that the

(which probably trimmed last years profit by £1.3m) are more dispute, favourable.

# Pru ready to put more money into small companies

increased by rights and/or acquisition issues.

The Prudential Corporation is more effective process than that very willing to commit funds for of an enquiry by Department of investment in small companies, Trade Inspectors whose powers investment in small companies, says Mr. Ronald Owen in his annual statement. But it has to be done in a manner consistent with the Pru's responsibilities towards its policyholders.

Allied Plant ..... 0.88

Estates and General ...

Nrdin & Peacock ......

Simon Engurg. .....

Waverley Cameron ---

S. Lyles ...

B. & I Nathan

Mr. Owen points out that It is probably best if investments in small companies are made through those specialised institutions geared to the requirements of such investment. The Pru has made a number of such investments and is currently investigating other possibilities, some of which would carry the threshold size of investment even lower, possibly down to £25,000.

In addition, in the field of property investment, the company is financing a number of industrial estates consisting of units suitable for small new enterprises.

In referring to the High Court

in relation to the discovery of documents and the taking of evidence upon oath were more restricted than those of the High Court.

The progress report of the Corporation shows that UK lifa funds again invested heavily in gilts—£313m out of a sum of £449m were invested this way in £1979: A mera £39m was placed in equities, but £105m was put into property. On overseas life funds, £58m out of £70m was invested in fixed income

The total market value of investments beld at end-1979 was £6.94bn in life funds, £570m in non-life funds and £580m in

The Group's property portfolio now stands well over £2bn com-prising some 5,000 properties. With a continued firm market, Assurance against Newman that value of those properties. Industries, Mr. Owen says the case showed that legal action in the courts in respect of the affairs of a company may be a prising some 5,000 properties. With a continued firm market, the value of those properties with a value of those properties. With a continued firm market, the value of those properties. With a continued firm market, the value of the prising some 5,000 properties.

### Brook Street tops £2.7m despite heavy spending

RECORD RESULTS for 1979 are First Castle Securities' £402,000 reported by Brook Street Bureau of Mayfair, clerical and administrative staff agency, with pre-tax profits considerably higher at £2.71m, against £1.91m.

The, board says the results were achived despite the beavy

programme
Had it not been for the revenue costs of these investments for the future, board says profits for 1979 would have

of the Bank of Scotland, says the group is particularly well balanced. With its strong capital base and short lines of communication it has both the ability and apportunity to achieve substantial enhancement of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the past years, Bank of Scotland thinks that interest rates will stay high enough to cushion the blow for most of the year. It may be provisions of £32.99m (£29.36m) had a first time contribution of different matter. The balance different matter. The balance

FIRST CASTLE

PRE-TAX profits of B. and L. improved as forecast at the from £82,504 to £107, 868.

At halfway, the pre-tax profits had advanced from £236,000 to

After tax np from £59,157 to £297,938, full-year stated earnings per 25p share are down from 22.94p to 14.53p. The final dividend is raised from 2.53p to 2.6p.

# 20% expansion to £1m by Estates and General

Investments rose by 20 per cent They passed the fim mark for the first time and finished at £1.03m compared with £0.85m.

Turnover 4,137,349 3,615,140
Gross inv. rental 1,102,913 492,125
Prop. devipmt... 2739,777 2,624,284
Finencial ...... 289,650 271,159
Trading profit ..... 1,829,058 1,232,849 507,658 418,159 S,687 e,687 

Isle of Wight and Hampshire areas are being increasingly recognised as especially pros-pective. "The merger with Dr. Colin Phipps and Partners has secured high calibre exploration and production staff and has provided an established UK service business with good potential In North America, the groundwork has been laid for a marked increase in oil and gas production, while in Ecuador

position," he adds.

### Rescue plans for **British Anzani**

NEGOTIATIONS for the rescue of British Anzani have reached an advanced and delicate stage, the company's counsel said in the High Court

By consent, Mr. Justice Vinelott adjourned for 14 days petitions by the Inland Revenue for the compulsory winding up of British Anzani and two associated companies, British Anzani Construction and Anzani Construction (East Anglia).

He was told by counsel for Connaught Land and Property, creditors of British Anzeni for £250,000, that Connaught was seeking to mount the rescue operation and was hopeful that British Anzani would carry on

The judge allowed further creditors to be added to the already lengthy lists of those sup-porting the Revenue's petitions. Counsel for the Revenue said that £45,000 had been received, which was to be spread over the Revenue's debts.

### First half decline at S. Lyles

pre-tax profits is reported by S. Lyles, carpet yarn spinner and dyer, for the half-year to December 31, 1979. Turnover improved from £6.01m to £6.8m, with tha home market's sbare being f4.29m against £3.52m; and exports £2.52m against £2.49m. Mr. John Lyles, the chairman, says that while exports still continue at a high level during the current six months, conditions in the home market have, as expected, become more difficult, and this is likely to result in lower profits for the second half After tax down from £235,393 to £190,053, stated earnings per 20p share are down from 5.98p to 4.28p, and the interim dividend is unchanged at 2p

### **BP** Canada NET income of BP Canada for

the first three months of 1980 totalled \$30m or \$1.41 per share, compared with a restated \$12.2m or 58 cents per share.

The directors do not expect that the rate of increasa in the first quarter will continue for balance of the year. However, the net increase in 1980 can be expected to be higher than in 1979, they state.

# Allied Plant profit soars by 156%: confident for 1980

TAXABLE PROFITS of Allied on its acquisitive way, maintain-Plant Group soared by 156 per ing very strong growth in profits with £0.47m on substantially higher turnover of £10.66m, against £5.4m

The net total dividend is lifted from 0.85p to 1.575p, with a final of 0.875p.

interim pre-tax profits expanded £517,000 (£206,000), and the directors said the group was well placed to maintain momentum with most encouraging second-half prospects. Mr. Michael Heathcote, chair-

man, now says the directors are confident of their ability to beat the continuing economic problems of 1980 and to maintain the rising trend in earnings and assets per share.

Stated earnings per 10p share increased from 4.27p to 7.94p in 1979, while assets per share are given as 24.07p (15.38p). • comment

Ailled Plant continues merrily 21p per share.

cent to £1.2m in 1979, compared as well as turnover in 1979. The mix is changing, with land mix is changing, with land development now accounting for half of profit; more than the company would like. Plant hire has grown to 25 per cent of profit with the Datsun fork lift franchise doing well while the plumbing and heating side, which produced only 13 per cent which produced only 13 per cent of profit is expected to perform better this year with the acquisition of M. Walker and Son. The yield on yesterday's gain of 1p a share to 36p is 6.6 per cent while the fully taxed p/e of 9.3 will probably support further acquisitions.

WATMOUGHS

Watmoughs (Holdings) an-nounces that acceptances were received for 1,198,928 ordinary shares representing 95.9 per cent of the recent rights issue. The remaining 51,072 ordinary shares have been sold at a premium of

# **Bowater looking to** U.S. for advance

prospects for a profit improvement in the current year. Lord Erroll of Hale, the group chairman, said yesterday that ha is expecting a "breakthrongh" in earnings, to be fuelled largely by the North American paper, pulp and newsprint business... "We have had a good first is additional machinery in place and there has been a 3 per cent growth in U.S. consumption of newsprint in the first quarter,"

Last year Bowater made £91.3m pre-tax, a very slight increasa over £90m in 1978. The group lost £6m because of adverse currency translation and also suffered from another £6m in losses from its cotton trading business, Ralli. Lord Erroll said yesterday that

Ralli was back into profit in the first quarter and he hoped it would stay that way in the current year. He attributed current year. He attributed commodity trading problems in cotton and rubber to Bowater difficulties in "bedging last

in the current year.

Capital spending will be reduced to between £50m and £60m in 1980, against £86m in 1979. Over the last three years, the company said its worldwide capital expenditure had been £270m, of which £133m had been invested in "expansionary projects" such as additional newsprint plant and machinery in the U.S.

On a current cost accounting 1979 was £51m, its profit before extraordinary items and gearing adjustment came to £16m.

### • comment

Bowater seems to have had a rather promising first quarter, especially in its important North together with a return to profit by the Ralli concern suggests that the group may be able to nudge closer to the top end of the £100m£110m range of out-side forecasts. Although the group has bad static earnings since 1977, it strengthened its Bowater bas reduced its overall since 1977, it is rengthened its net borrowings from £207.6m in balance sheet clustderably last 1978 to £151.5m last year year. Furthermore capital According to the chairman, expenditure is expected to fall gearing was lowered from 46 per. in 1980 and cash flow should be cent to 39 per cent; a level the rising.

# BIDS AND DEALS

# Grand Met continues fight to block Liggett's French deal

group Liggett, will continue to seek legal means to prevent Liggett from sedling a drinks subsidiary to the French group, Pernod Ricard

Last Friday, a Delaware court refused to grant Grand Met. a temporary restraining order on the \$07.5m sale of Liggett subsidiary Austin Nichols to Pernod. Grand Met. had argued that the sale was not a genuine husiness transaction and had been entered into only to frustrate. Its attemyts to buy Liggett

In Lordon, Mr. Stanley
Grinstead, Grand Met's deputy
chairman, said the company will
try to bring cases before other
courts in an attempt to prevent
the completion of the Pernod

He refused to say whether or not Grand Met would proceed with its takeover bid if the Austin Nichols subsidiary were

days between announcing a tender offer and proceeding with it. Grand Met announced its bid on April 14 Meanwhile, an attorney for

the Annuel Construction Corporation employees profit-sharing trust, a Liggett share-holder, has filed a class-action suit against Liggott and Its directors in a Delaware court. It seeks to enjoin Liggett from continuing its opposition to the Grand Met offer, the removal of Liggett's directors and the appointment of a receiver to manage its affairs.

Given the U.S. Federal Reserve's recent efforts to limit foreign bank borrowings to finance purchases of U.S. corporations, Mr. Grinstead was asked bow Grand Met would finance any increase in the cost

making a \$415m takeover bid for to overturn another: Delaware the balance: from our own the U.S. tobacco and drinks court order that It must wait 20, internal resources." court order that It must wait 20 . internal resources. WATSON & PRILIP

ACQUISITION Watson and Philip has acquired 75 per cent of Scotts

Self-Drive Hire, a wholly-owned subsidiary of Metravision (GB), for £450,000 cash, subject to contract.

EUROPEAN FERRIES

Two deals involving European Ferries \$250m commercial property development scheme in Denver, Colorado, are expected offinme Wednesday.

STANDEX/J. BURN The Standex International offer for James Burn (Holdings) has been declared unconditional. of its bid for Liggett.

"We don't contemplate in already beld amount to 94.5 per creasing our offer," he said. "We cent of the isued share capital have arranged financing for tha

# Cargill buys 90% of Sun Valley

U.S., the agricultural merchant, is to ecqunize 90 per cent of Sun Valley Poultry, the Hereford-based poultry concern. The remaining 10 per cent of the Sun Valley equity is to be retained by the executive directors and their families. At the proposed price of \$46 a sbare Sun Valley is capitalised at same £17.3m. Sun Valley is an unlisted

public company founded in 1960 by e number of West Midland farmers with poultry interests. The Union International Company acquired a 50 per cent Sun Valley, which is angaged

Clyde Patroleum, a small Mr. W. Glbson Biggart states in breeding and processing indpeendent oil exploration that substantial progress has chickens and turkeys, employs compeny, is making a rights issue been made in all major areas of about 2,500 people. Last year's to raise £4.5m for further the company's activities. A comparticipation in the Seventh mercial oil accumulation has pared with £40m in 1978-79, but profits fell from £3.1m to £1.4m

> company with headquarters in Minneapolis, Minnesota, is completing the deal through Cargill-Albion, a UK-based subsidiary. It said yesterday that it proposed to expand the Sun Valley business and intends that the group should continue to operata under its present name and management

> BARR & WALLACE Barr and Wallace Arnold Trust has agreed to purchase the assets and goodwill of a VW/Audi motor dealership in Ardwick, Mancheser, from William Arnold,

stock it is anticipated that the total consideration will hot exceed £750,000—all cash. The assets being acquired, other than stock, comprise leasehold property at an open market value of £370,000 and other fixed In addition, Barr and Wallace

bas agreed to dispose of the Ford destership and certain assets of Skelly's (Dumbarton) to Strathford Motor Company for £140,000. This subsidiary formed part of Scottish Transit Trus acquired. in February, 1979. Net book value of assets dis-posed of total £140,000 and the

loss attributable to these assets about £76,000. OOC/FURNESS

Sharebolders representing 93.55

per cent of the equity of Furness Withy have accepted the £112.5m offer by Orient Overseas Containers (Holdings), part of the C. Y. Tung Group. As a result the offer has become unconditional. Autony Gibbs Holdings,

advisers to Orient, said yesterday that the offer had also become unconditional following the implementation of the capital reorganisation of furness, a scheme which was approved at

existing ordinary stock (93.55 per cent). Some £566,520 of the acceptances were for the loan note alternative; and acceptances were received far 130,597 preference shares.

TURNER & NEWALL Manti Turner and Newall has agreed in principle to sall its 40 per cent minority holding in Hardie-Ferodo Pty of Australia, to James Hardie Industries for A\$4.42m (£2.15m) cash. This makes Hardie-Ferodo a wholly owned subsidiary of James Hardie-Ferodo Association (£2.15m) and £2.15m.

parent company of Ferodo in the UK. The association between the UK. The association between Ferodo and Hardie-Ferodo will 5 55 55 56 Cf still sell its products under that still sell its products under that name, it will remain the Australia for Ferodo's trallan vendor for Ferous products, and it will continue technical interchanges with Ferodo.

Agreement in principle has also been reached with Acmil which will acquire T and N's minority stake in Acmil Plastics Transcribed (Australia) Pty for A\$1.65m (£0.8m).

reorganisation of Furuess, a NEEDLERS BUYS scheme which was approved at Needlers has acquired the the extraordinary general whole issued share capital of meeting on April 25; and the Dickson Orde and Company announcement on April 24, 1980, (Holdings) for a total cash control bebalf of the Secretary of sideration of \$280,000. State for Trade that the deal The pre-tax profits of Dickson would not be referred to the Orde for the year to October 31. Monopolies and Mergers 1979, were \$75,197 and net Commission.

The valid acceptances received the same date Dickson Gree had represented \$25,08m of the cash balances of \$129,080. NEEDLERS BUYS

says that the interest acquired by Amax triggered an option medium to long term ontlook for Canada and Ireland, Northgate will be obtaining some light from lead, zinc and copper and under the previous agreement. despite the possibility of rethe pending start of gold mining This is that if a foreign (nonduced prices during the current operations this year by the 37 economic alow-down "I am con- per cent-owned Whim Creek at French) ehareholder is invited to take an interest in Cofremmi, its modest-sized Haveluck profident that we will achieve our Patino bas the option to require operational and financial perty in Westarn Australia, "a objectives set for 1980," he sald. pathfinder to other such projects that its own 10 per cent stake in Cofremmi and royalty-profit rights be acquired for cash. He added that on present in this geographic location." Diamond drilling is to comindications Northgate's net in-Patino wishes to exercise the come for the first quarter of mence next month at the Orofino option, but BRGM is resisting this year will be about C\$2.5m gold property in Ontario and the the claim on the grounds that it does not agree with the inerpretation of the agreement. (£948,000) equal to 36 cents silver recovery project at the (13.6p) per share. This is about Tynagh mine is expected to come double the figure for the poor on stream towards the end of first quarter of last year and this year. Patino's desire to pull out of the venture is no doubt prompted by the slow pace et follows earnings of C\$2.3m in the final quarter.

The group's efforts are being concentrated on finding new Westfield Minerals also has a inevitable escalation in its sources of income to replace strong financial position. At the eventual capital cost which was company's annual meeting it was call is to increase its participation in the North Sea Sun Oil Applithat from the bigh-grade Tynagh company's annual meeting it was base metal mine in Ireland's stated that Westfield and North-County Galway which is nearing gate recently reached agreement

Patino considers that the for a joint uranium exploration feasibility studies for the project venture with ...Shell Canada could have bean completed in Northgate has the backing of venture with ... Shell Canada strong finances working capital Resources which covers tha 1978 whereas Amax, which is amounts to some C\$31.6m—for pooled lands in the Deer Lake its exploration activities: "If the and Codroy Basin areas of making pilot plant metallurgical net per share on the increased studies in Colorado, is thought to capital for the year to December. he a year behind in the work.

rights issue have been placed with clients of stockbrokers Moy Vandervell, underwriters to the issue. Conor, which owns 50.39 per cent of First Castle, is unable to take up its entitlement because of a lack of resources. expediture involved in develop-ing a sophisticated computerised job-handling system, undertaking The rights issue is on the basis of one-for-four and not five as reported earlier. a major branch refurblshment

exceeded £3h by an appreciable margin.

Tax for the year was up from 1990,594 to £1.44m, leaving the attributable profit higher at £1.21m (£882,790) after exchange losses. Stated earnings per 10p share are up from 8.91p to 12.26p, and the final dividend is raised from 2.22265p to 3p, for a total of 4.135p from an adjusted

sbeet is in good shape, and there is scope for raising subordinated loan stock if there should be any pressure on the free capital ratio. One surprising feature of the annual report is the bank's attack on the new inflation accounting standard SSAP 16. To avoid wbat it claims would be "distortion" it has decided not to include deferred tax on leased

The shares provisionally making the total 4p against allotted to Conor Finance under 3.63p.

REFLECTING the first full property investment portfolio years trading by County and and that net assets per share Suburban Holdings, 1979 pre-tax profits of Estates and General

Waverley

### Cameron Pre-tax profits of Waverley

Cameroo, manufacturer of stationery, improved by £89,660 turnover higher at £2.88m against After tax up from £143,390 to

share are substantially higher at 96.04p (59.51p), and the dividend is raised from 11p to 15p.

### **HOWARD TENENS** RIGHTS ISSUE

Howard Tenens Services Earnings per 20p sbare are rights issue has been taken up as shown to have risen from 2.98p to 2.965.488 sbares (93.29 per to 3.4p and the net total dividend is raised by 16.7 per cent from 1.2p to 1.4p, with a final payment of 0.85p.

The diverture country there will be dividually a premium of 8p per new share (less expenses). Net proceeds The directors consider there will be distributed to entitled.

# Clyde Petroleum jumps to £2.7m rights issue plan

The issue involves 2,312,080 new ordinary shares of £1 each on a two-for-seven basis at 200p a share. This represents e discount of 50 per cent at yesterday's price of 402p. The specific aim of the cash

cation Consortium from 15 to 30 par cent. In addition, Clyde plans to step up its investments in the U.S. Clyde is forecasting a dividend of not less than a maintained 2p net per share on the increased

Round of North Sea oil block been confirmed on block 16/21 licensing. The company also and other interesting prospects due to adverse trading condi-revealed more than doubled bave been further defined on tious.

pre-tax profits yesterday at £2.7m. Clyde's remaining North Sea Cargill, a privately-owned Onshore. liceoces held by Clyde in the

there is a noticeable overall

improvement in the company's a private company, for an initial consideration of £499.000.

as Dallo-

on pales that a profession of pales in a profession of pales in a pales in a

COMMODITY-LINKED BONDS

# Putting poor countries into rich portfolios

SECURITIES with redemption credit-worthiness is one of the into coal. Sunshine Mining of the U.S. has successfully floated bonds backed with silver. There have been rumours of a forthcoming Euro-bond backed with gold. The months ends with a Government "petro-bonds" whose redemption price la linkad to tha price of Mexican

Various forces are combining to push these odd hybrids into the light. Inflation, and more important, uncertainty over its future course, make it increasingly difficult for borrower and lender to agree norrower and lender to agree upon just terms for long-term borrowing. As the reputation of money as a store of value dwindles, some physical definition of worth can make a bond more acceptable to the investor. and greatly reduce the interest cost to he borrower.

Walker Line

A commodity link can also increase the credit-worthiness of the issuer in the eyes of the investor, if the issuer is a prodoucer of the commodity to : which the bond is geared. This is of mounting significance at a moment when the problem of interest paid over the life of argument increases in strength

terms indaxed to the price of main reasons why the Third some commodity are being World may have difficulty with incraesing fre- financing the deficits caused by quency this yaar. In April we mounting oil prices and have seen tha announcemant of the first securities convartible gives tha investor direct borrower's wealth - country risk becomes commodity risk.

> The preferred share issue plauned by Semirara Coal Tha previous, second, series of Corporation of the Philippines petro-bond, redeemable in April, is an exampla. It will pay a fixed dividend of 16 per cent and will be convertible into coal after four years (until then it will be convertible into ordinary shares of the com-pany). The investor is to be promised 33 tons of coal for a unit costing \$1,360-or he can opt for the cash equivalent, less about 5 per cent.

The Mexican "petrobonds" are another example of a developing country issuing securities which are attractive to Western investors. The new series is closely modelled on the previous four issues. It will raise pesis 5bn for three years at 10 per cent after withholding tax. The bonds are geared rather cunningly to the price of Mexican crude. The investor is repaid his initial investment increased by the percantage rise in the price of Mexican crude less the

of about 13-14 per cent. This discounted cash flow

sliver-link, Sunshine Mining would have had to pay interest

The attraction for the issuer

is heigtened by the fact that

the purpose of the new issua is

the bond—or is repaid at par, as long term interest rates risa if the parity of the French franc. Nevertheless, according to the whichever is the greater.

—and it is arguably something in terms of gold was changed or Paris brokers Bertrand Micbel, the almost \$4bn raised through same way that the banks protectively, therefore, the oil has to rise about every advantage to the borrower when the IMF abandoned the cation recently that the Government institutions like the development institutions like to the first one. But issues of the development institutions like the added part of "recycling problem" in the sum must be added part of "recycling problem" in the same way that the banks protected for the oil has to rise about every advantage to the borrower when the IMF abandoned the cation recently that the Government institutions like the same way that the banks protected for the oil has to rise about every advantage to the borrower when the IMF abandoned the cation recently that the Government institutions like the same way that the banks protected for the oil has the cation recently that the Government institutions like the same way that the banks protected for the cation recently that the Government institutions like the same way that the banks protected for the cation recently that the greater. 30 per cent over three years for is a disadvantage, is less congold basis for the world's curthere to be any increase in the scious than the corporate rency system.

Cumulative yield to the investor. treasurer and his investment. The chart shows the magnirecourse to the source of the The starting price of crude for banking adviser.

> \$30.5 per barrel: the posted price is currently \$32, so the become an increasingly attrac-tive financing instruments as bonds are off to a running start. interest rates rise. Nevertheless, tha history of gold-backed bonds in France is a forecful reminder 1981, are already standing at that an issuer without natural 200 in tha markat, showing toat access to a commodity is going out on a long and thin limb if the gamble has paid off for investors before. Phillips and ha sweetens a bond issue by Drew have details of the new indexing it to that commodity.
>
> Just as British companies hurnt Sunshine Mining of the U.S. is oaying only 8½ per cent on its \$25m of 15 year silver bonds. Each \$1,000 certificate will be redeemed at \$1,000 or 50 ounces of silver, which ever is greater. their fingers borrowing low interest Swiss francs in the early 1970s, others could come to regret their commodity llabilities in the 1980s. It is for this reason that the first gold-The latter is currently worth \$700 following the recent rapid backed Euro-bond, when and if it comes, will probably he issued decline in the price of the metal by a company wich either pro-duces or bas large stocks of -bot there are 15 years to go.

Commodity linked bonds thus

The classic case of expensive borrowing was the FFr 6.5bn which the French Government interest saved today is many times more valuable than a redemption premium paid out in 15 years time. Without the and the then Finance Minister. Valery Giscard d'Estaing, raised at a coupon of 7 per cent in 1973. This bond issue had a "safeguard clause" which pho-vided that redemption value

tuda of the liability which the French state thus incurred and without the comfort of gold mines to foot the bill. Issued at par in 1973 each FFr 1,000 unit was quoted late last week at FFr 6,475. If the price holds at this level the Government will have to repay FFr 42.5bn when the bond matures in January, 1988.

The sum is so great that tha recent price of the bond has reflected not only doubts about the price of gold but also doubts that the Government will honour the gold safeguard clause. As a result the current price of the "Giscard" band undercuts the current gold linked redeminion value by about 40 per cent.

The safaguard clause is complex and there must be invest-ment advisers in Paris who derive almost a full time occupation from interpreting it. In particular, anything which sug-gests that the French franc may be inching back towards a gold parity—like the gold backing recently given to the European Unit of Account—can send a would he linked to the gold price frisson through the markat.

ment will not try to find a tech-nical way ont of its gold-linkad obligation. The "Giscard" thus appears an interesting way of investing in gold - certainly better value — than the other gold-backed French Govarnment bond, the "Pinay," whose re-damption value is linked to the price of the gold Napoleon. This is now trading at a price of 1.6 per cent over its gold Napoleon redemption value, and so popular is the Napoleon with French

investors that the coin is itself trading at 60 per cent over its intrinsic gold content. Despite the daunting example of the "Giscard," there are a number of reasons why the commodity-linked bond may be a form of financing whose tima

Bankers and central bankers the world over are wondering bow the oil wealth, and the wealth of the developed world, can be invested in the develop-ing world without nver-exposing the international hanks. The bond market has so far made a small contribution.

In 1979 international bond issues totalling only about \$3bn were floated for countries outside the OECD and OPEC. To provide a solution to the second finance.

by development institutions like the World Bank. These figures are dwarfed by the \$41bn of new international bank loans which, according to OECD figures, were made to tha same group of countries last year.

Part of the reason is that a bond issue, which must be placed with investors and not hanks, cannot have the financial fire power of the syndicated loan. A bank loan deploys a pool of many investors' savings.

A syndicated loan deploys a pooling of those pools—it is a form of finance a whole order of magnitude larger than the bond

individual investor, whether be be a Belgian dentist or an OPEC treasurer, is more reluctant to expose his savings to the sovereign risk of a Third World borrower than is a syndicate of banks. This reluctance has been compounded in the last few years by market conditions—a steady trend towards higher inflation and higher interest rates—which have not encouraged investment in any fixed rate bonds whatever their quality.

The bond markets can never

vided so much of the solution to the first one. But issues of commodity linked bonds could make a lively, if minor, contri-

To OPEC treasurers conscious of ta abysmal performance of money-dominated investment in the 1970s and wondering why they bothered to get the oil out of the ground, commodity-linked securities or commodity linked direct loans could give them a more tangible stake in the wealth of a developing country.

To the horrowing country the advantage of commodity-linked honds is the prospect of lower rates of interest at a time when the rate it is paying on floating rate syndicated credits is painfully high. Such honds also offer a form of participation to the investor which does not compromise the economic independence of the borrowing country. Unlike equity finance or direct investment such honds do not involve transfer of control

to the foreign investor. The past ten years have shown straight deht to have its limits as a way of recycling. It is a poor deal for the lender and increasingly hurdens and hobbles the borrower. It must now be supplemented with other more participatory forms of

# Hunt family mortgages property worth \$3.2bn

BY JOHN MAKINSON IN NEW YORK

THE HUNT family of Texas bas mortgaged oil and gas properties worth about \$3.2hn (£1.4bn) to meet losses sustained when the silver market collapsed last month.

The largest element in the mortgaging operation is a \$2bn loan note secured against virtually all the assets of Placid Oil, a family-owned

Placid has borrowed \$750m of the secured lnan, of which . \$400m bas been passed on to Nelson Bunker, W. Herbert and Lamar Hunt, the brothers : who accumulated enormous mailver boldings before the recent price collapse. ...

loan has been assembled by a group of banks headed by First National Bank, Dallas, and Morgan Goaranty. Morgan Guaranty said yesterday that the \$2hn figure was "an arbitrary legal amount " which did not

BY DAVID WHITE IN PARIS

solidated net profit last year to FFr 584m (\$139m) from FFr 528m in 1978 and has an-

Government aid

YOUGHAL CARPETS (HOLD-

YOUGHAL CARPETS (HOLD-INGS) is to get an Irish £3.5m (\$7m) capital injection from an Irish Government financial agency to strengthen its capital base and help reduce the burden of interest payments.

The agency, Foir Teoranta, will take up preference shares

for Youghal

By Our Financial Staff

Carpets

FFr 528m in 1978 and has anings to FFr 402m. This was nounced plans to reinforce its after an increase in corporation

capital base in line with the tax to FFr 295m from Government's proposals for the FFr 203m. Operating profit be-

available credit. He declined to specify the Hunt family's borrowing limit but said it had not been reached.

The loan note will be supplemented by a credit of abunt \$1bn which, as reported last week, is being negotiated

summary of the material would have appeared on yesterday's International Companies and Finance pages

with leading U.S. banks. A small amount of the credit may be used to pay off part of the \$2bn loan outstanding under the note hat the bulk of it will go to meet claims by banks and brokerage houses.

The Hunt brothers owe futures contracts and the collapse in the price from \$50 an ounce to a current

BNP strengthens capital base

BANQUE NATIONALE da Paris which it holds at least 50 per FFr 69bn to FFr 375bn. The (BNP), Franca's largest comcent, rose FFr 71bn or just volume of clients' deposits inmercial bank, increased its con-under 22 per cent to FFr 397bn. creased 18 per cent during the

The overall balance sheet was 33 per cent higher than It is also to raise its capital total for the group, including the previous year at FFr 1.92hn. by FFr 113m by incorporating the bank and companies in The hank's assats rose

SALZGITTER, the West German

state-owned steel company, has

warnad that the European steel crisis is hy no means over.

despite the relatively good

Herr Ernst Pieper, chairman

Tha hank itself showed a 20

per cent increase in net earn- 12 per cent.

Salzgitter says European

results recorded by the into the red this year. The country's main producers last group managed to break even

of Salzgitter, said the group was higher demand for crude steel still in the hlack for the first and the general npswing in the half of this year to September economyl. Group turnover rose

steel crisis continues

level of about \$14 bas left them nnable to pay.

Several participating hanks had hoped that the new \$1bn loan would be signed by the end of last week but negotiations are still in progress. The hanks, with the Federal Reserve Board, are anxious to ensure that the security for the credit is satisfactory and that the funds cannot be used for further speculation.

The \$1bn loan has drawn heavy criticism in Washington, where both the House and the Senate Banking Committees plan hearings. Nelson Bunker and W. Herbert Bunker have been sub-poena'd to appear before the Honse Sub-Committee on commerce, consumer and monetary affairs in Washington today,

year, and loan activity rose by

The bank is proposing to

double the nominal value of its

sbares to FFr 200 as a result

of the revaluation of accounts.

Although Herr Pieper did not

spell out the fact, it is evident

that Salzgitter executives fear

that the group will drop back

last year after losing DM 100m

(\$56m) in 1977-78, thanks to

made for the Hunts indicates their losses on silver are

### INTERNATIONAL CAPITAL MARKETS

### \$70m loan raised by **Credit National**

FRANCE'S State-controlled

industrial financing corporation, Credit National, is raising a \$70m syndicated credit through Credit Lyonnais and Calsse des Depots. This Is the first syndicated credit arranged by a French borrower this year and is on the fine terms traditionally fine terms tra The loan is for tin years at

split spread of i per cent for the first five years rising to 1 per cent thereafter. These conditions are only

marginally different from Credit National's \$100m credit arranged last July which bore a spread of & for the first three years and } for the remaining seven. A further feature of the

Credit National loan is that only \$50m of the total is to be raised in dollars.

Hattori buys

K. HATTORI AND CO, the Seiko watches manufacturer,

has agreed in principle to huy the sales section of Jean Bouchet Lassale SA, a small

Swiss manufacturer of extremely thin, high-quality, mechanical watches. Hattori

plans to combine its own very

thin quartz watch mechanisms

with expensive Lassale cas-ings for sale in Surope and

Jean Bonchet Lassale was

established in 1973 to produce what are claimed to be the world's thinnest mechanical

watches, selling at the top of quality Swiss watch line. Hattori will take over Jean Lassale SA, the marketing

affiliate, and continue to sell

under the Swiss hrand name. The terms of the takeover

have not been disclosed.

Jean Lassale began selling watches in 1977 at a rate of

about 2,000 units per year

Hattori expects that it will produce, in addition, about

2,000 thin quartz watches with

Lassale cases, with sales starting by the end of this

dominates the watch industry.

Sales may eventually year. Sales may eventually spread to Japan, where Seiko

sales arm

of Lassale

# Sharp rise in DM bonds

BY FRANCIS GHILES

THE LARGE size of the new issue calendar for the next four weeks (between DM 800-850m) agread by the German Capital Markets Sub-Committee late last Friday, confirms that the fortunes of this sector of the Eurobond market bave taken a turn for the better.

It contrasts sharply with the figure of new issues agreed to one month ago, a paltry DM 100m. During the conrse of the past four weeks the initial figure has risen more than ten-fold as interest in foreign Deutsche Mark bonds revived initial investor interest coming mostly from domestic German investors but later spreading

GERMAN CAPITAL MARKETS

•	Oate of	Toroign.	
	meeting	bonds (	
		approved	insued
	Oct. 22	 450	575
	Nov. 13	 400	500
	Oec. 21	 1,200	1,240
	Jan. 28	 640	450
	Feb. 25	 580	380
	Mar. 24	 100	1,560
	Арг. 25	 800	

BY YOKO SHIBATA IN TOKYO

department stores, Daimaru,

Takashimayn, Matsuzakaya and

halped by the strength of con-

financial income (down Y550m

Dalmaru . Takashimaya

Ybn

FOUR OF JAPAN'S five leading earnings setback.

with the largest such the opening of a mass store, alone suffered a setback in earnings—its first in 25 years.

Takashimaya and Matsukoshi.

JAPANESE DEPARTMENT STORES

Domestic investors are still DM 50m private placement for keen to buy foreign DM bonds a Japanese borrower. Dresner because they yield more than will announce a DM 100m issue domestic bonds. Foreign investors meanwhile are finding their way back into DM bonds on May 22 and Deutsche Bank will close the calendar with a DM 150m issue for a non-European government. because they are convinced DM interest rates will not fall sub-Other issues for supranational stantially even if dollar rates do. borrowers, which are not tech-

The new issue calendar will be opened by Bayerische Landesbank with a DM 100m private placement which it will arrange with the sole belp of Swiss Bank Corporation. This will be followed on May 5 by a DM 100-150m

private placement through Deutsche Bank for a European state address; on May 12 by a DM 150m public issue for a Japanese company through Westdeutsche Landesbank. On the following day Deutsche Bank will arrange a DM 100m issue for a European industrial address and on May 20 Westdeutsche Landesbank will address as yet unknown.

Bayerische Vereinsbank will

follow on May 21 with a

Four out of five advance

Takashimaya and Matsuzakaya

Increases in the Investment attained double-figure gains in burden and a reduction in net earnings, helped by a cutback financial income (down Y550m in personnel costs through an that their earnings will stand

Sogo, increased earnings in the single-figure growth in operat- 9.6 par cent financial year to February, ing profits, because of a Y12bn Mitsukoshi

to Yihn) were hlamed for increase in the numbers of part- still or fall.

Dalmaru, tha second largest highest growth in sales among store operator, achieved only the five stores with a gain of

(\$48m) increase in interest- at double-figure growth in

bearing liabilities arising from earnings in the year, through the opening of a mass sales cuts in sales costs, and in wages



Mitsukoshi and Daimaru aim

hills with the greater use of

Estimated operating profits 1980-81

part-time workers. The other

1980

### **Increases** in profits at George Weston

By Our Financial Staff THE STRENGTH of its food distribution division in U.S. markets played a significant role in the increase in first quarter earnings at George Weston, said the company, which reported net nically included in the calendar income for the period of \$12.5m or 83 cents a share before txtraordinary items, against \$11m or 80 cents. The Canadian com-pany is raising the quarterly dividend from 31 cents to 35 cents a share. Sales in the first quarter increased by 14.8 per cent to \$15bp

cent to \$1.5bn. Operating income from food distribution movet up from \$10.8m to \$17m, sp red on by the strong performance of the Loblaw Companies in retail and

wbolesale marketing. The forest product division also turned in operating income of \$10.9m, belped by bigher product prices Mr. W. G. Weston, the chairman, said it will be increasingly difficult to stay ahead of last year's earnings levels as the year

# South African

lifts profits

tyremaker

GENERAL TIRE, the South African tyre and rubber producer, which severed links with its U.S. parent last September, has raported turnover for the 14 months to February 25 of R105.5m (\$131.4m), compared with R73.5m for the year to December 31, 1978. On an annualised basis pre-tax profit advanced by 6.5 per cent to R14.6m (\$18.2m), against R4.7m for the previous year. Taxed profits came to R8.58m for the 14 months compared

### Bank of China joint venture with Japan

THE BANK OF TOKYO has announced that it has reached agreement in principle with tha Bank of China on the establishment of a joint venture finance company in Hong Kong, in which it would be a 50 per cent partner. The Bank of China, and its Hong Kong affiliate the Kinchang Banking Corporation, would hold the remaining sbares in the venture.

395.2m 348.5m 29.32m 26.62m

# Ybn 10.71 4.89 4.61 2.96 2.41 Grocery groups in bid battle

DAVIDS HOLDINGS. the

grocery group, appears to have won a bitterly contestad A\$38m (US\$41.7m) takeover bid for the rival wholesale grocer, A. make a time-payment bid for the entire capital

Upon relishting, Davids per cent stake in Campbell hought in the market and immediately picked up close to 25 that the deferred considerations of the control of the contro giving it 49 per cent of its G. Campbell Holdings. The target The suspension bad been directors of Campbell have imposed because Davids was

The Camphell argument is that the deferred consideraton per cent of Camphell's capital, constitutes an unsecured loan, and is therefore a security and attacked the Sydney Stock buying in the market after anexchange for lifting a suspennouncing a partial offer — a give details of its audited shares after Davids, agreed to in pending new national takemake a time naturant his for requires a full cash bid. over legislation Davids initially ments, which is not necessary offared A\$8.00 a share for a 30 for a straight cash offer.

By Charles Smith, Far East Editor in Tokyo

Revenue .......
Net prefits ....

Net per share .....

SQUIBE CORPORATION

U.S. TOBACCO

WASHINGTON POST

### AMEDICAN CHAPTEDLIES

AMERICAN	QUA	KIE	KLIES					
SHLAND OIL		<u> </u>	DIAMOND INTERNATIO	NAI,		JOHNSON CONTROLS		
Second quarter svenge at profits	1980 \$ 2.0bm 47.4m 1.59	1979 \$ 1.55m 27.2m 0.71	Revenue Net profits Net per shem	9.24m 0.67	0.98	Second quarter Revenue Net profits Net per share Six months	0.09	7.89m 0.57
et profits	123.3m . 4,09	3.0bn 77.9m 2.04	DOMINION FOUNDRIES First quarter Revenue	1980 . C\$	1979 CS	Revenue	490.0m 20.11m 1.44	481.5m 29.11m 2.10
Third quarter	1980	1979 \$ 131.1m	Net profits Net per shere		28.2m 1.78	M. LOWENSTEIN First quarter	1980 \$	1979 \$
et profits	13.6m 1.68	12.3m 1.43	R. R. DONNELLEY & SO	0NS 1980 S	1979	ARevenue Net profits Not per share	159.5m 2.08m 0.62	148.5m 2.87m 0.42
et profits	29,2m 3.49	27.3m 3.19	Net profits	244,4m	204.Sm 10.98m 0.59	MORRIS INDUSTRIES First quarter	1980 S	1979 S
First quarter	1980 \$	1979 \$ 182.9m	HUDSON'S BAY OIL &			Revenue	165.8m 9.45m 0.97	163.3m 5.36m 0.26
or per share	21.12m	19.64m	First quarter	1960 \$ 136.8m	1979 5 105.7m	NORTHGATE EXPLORAT	1980 C\$	1979 CS -
Third quarter	.1960 \$ 155.5m	1979 S	Net per shem	38.0m 2.00	31. <b>5</b> m 1.64	Net per share		1.2m 0.1a
t per shere	2.33m 0.36	142,3m 5:93m 0.31	INTERLAKE	1980	1979	NORTON	1980	· 1979 `

ues fight

### will take up preference shares which will he partially convertible into ordinary shares at par and will be redeemable 1988-97. The issue is subject to share the integration of Salzgitter, said the group was higher demand for crude steel and the general noswing in the half of this year to September economyl. Group turnover rose 30, but was faced with flagging 8 per cent to DM 9-4hn in the issue is subject to share the integration of Salzgitter, said the group was higher demand for crude steel and the general noswing in the half of this year to September economyl. Group turnover rose 30, but was faced with flagging 8 per cent to DM 9-4hn in 1978-79. hnt this was largely because of acquisitions. ping and motor industries. Atlantic Richfield boosts earnings

vear. .

BY DAVID LASCELLES IN NEW YORK

MORE SHARP increases in oil. Revenue rose from \$3.5bn to earnings were reported by U.S. \$5,4bn. shara, np 75 per cent on last earnings at Arco'a Anaconda year's \$242.2m or \$1.98. copper subsidiary.

companies yesterday. Atlantic Richfield (Arco), one of the large Aleskan produc-Alaskan producers, tion had contributed to the announced first quarter net earnings gain. The stronger earnings of \$425m or \$3.45 a price of copper bad also raised

Allied Chemical, the large chemical company with signifiinterests, reported earnings of \$68.3m, or \$2.06 per share, more than twice last year's \$27.9m or \$0.98, which were depressed by losses from operations which were later discontinued. Sales were up from \$845m to \$1,384m.

SCANDINAVIAN NEWS

# SKF expects to gain despite recession

BY VICTOR KAYFETZ IN STOCKHOLM

DESPITE THE current recess dend is SKr 6 per share, up sion in the U.S. and a probable from SKr 4.50, for a total divi-Increased efficiency and intensified marketing efforts "should SWEDISH MATCH group bas make significant improvements reached agreement in principle
in group earnings possible," to take over Universal Match, SKANSKA Camentginleriet,
SKF says in its 1979 annual the match division of UMC InSweden's largest construction

its pre-tax profit to SKr 475m Dahlsten, managing director, aftar extraordinary items by

downturn in Europe during dend payment of SKr 108m fol-1980, Sweden's SKF group be lowing four consecutive years lieves that sales can be raising when the total was frozen at 10-15 per cent above 1970 levels. SKr 81m.

Last year, the bearings and this at the annual general meetsteel group more than doubled ing in Stockholm, Mr. Gunnar improvament in pre-tax profit (\$109m) on sales that rose by said the acquisition would bave 16 per cent to SKr 11.06bn great strategic value for (\$2.55bn). The proposed divi-

100m (\$23m) a year, Universal Match is tha largest producer of advertising matches in the world. It has factories in Hudson, Naw York and Ferguson,

With a turnover of some SKr

dustries of the U.S. Announcing group, beat its forecast at the eightb month of a alight posting a 1979 figure of SKr 436m (\$101m), up from Sar 346m in 1978.

### **GE** merger called off By Our New York Staff A \$500m MERGER between

Cox Broadcasting and General Electric Company (the largest U.S. producer of electrical equipment), agreed last year, has been called off, apparently because of differences over the price. The merger, which would

have been one of the largest in the broadcasting industry, had taken so long to arrange that the original plans for the deal no longer looked satisfactory to Cox, which owns and operates five television

### Pacific Gamble rejects bid by **HanAmerica**

Gamble Robinson the retail food company has unani-monsly rejected an acquisition proposal by Han America, a subsidiary of Franz Heniel und cie of West Han America bad proposed

By John Makinson in New York THE BOARD of Pacific

buying 900,000 sbares at \$32

### COMPUTING

### Data General's bid

It makes use of the latest cir- pay. cuit technology to incorporate the company's own VSLI chips in memory end elsewhere so that, for instance, a user pro- European marketing director, gram address space of 512m believes the new equipment wil provided which, Dsta General sector, principally because of

SIMULTANEOUS launch took over 4bn characters and, more, place yesterday in London, over, Deta General has elected Frankfurt, Paris and New York to launch the machine with a of a Data General "supermini" complete set of 32-bit software aimed directly et the more white ensuring that it will powerful end of IBM'e laggard successfully run existing 16-bit routines already developed. All Eclipse MV/8000 has a num- this is achieved with no emulaber of important characteristics, tion of simulation penalty to

Although this is an exeremly competitive sector of the mar-ket, Ray Fortune, Data General's European marketing director, characters of information is achieve rapid penetration in its points out, is 32 times as much the wealth of software it offers. He agreed that the technology Virtual memory provided is was moving very quickly, per-

Fortune expects immediate Manual pplications of the engage since the early days of computapplications of the 8000 to be in the university and computa-tional markets, but also sees WOTK major interests from commercial users, epart from those who alreedy operate earlier Eclipse equipment and whose invest-

though this has been the case

array, it is clear that Deta General is aiming for a very large wedge of the mid-range

Three processors are used. One is the central processor, while system control and input/ output are also governed by their own processors.

Up to 128 user terminals can be supported and up to 255 processes can be taking place simultaneously with the new advanced operating virtual storage system. Further from Data General

on 01-572 7455.

# New routines less of a problem

can be achieved in one-third to manufacturing concerns, includ- velopers assert. one-fifth the usual time through ing the Institute itself.

a new approach developed at Data bases using the system a new approach developed at Weizmann Institute of Science, Rehovot Israel. Known as DB1 the method

was first tried out last year at a large Government facility and as a result, automation of personnel requirements and organisation was completed much earlier than possible using a management system and perconventional approach.

found to be extremely reliable —without the need to write spe- Yeda Research and Develop-during a full year's operation cialised npdate programs. In ment Company in Rehovot.

ORGANISING computer pro- and has since been adopted by fact, it eliminates most of the grams to deal with new tasks aeveral research centres and need for programmers, de-

have already been designed in the areas of general accounting, inventory control, personnel management and orders maoagement

A unique application program generator, it operates in con-junction with its own data bate forms all the common functions Aside from manpower and of defining, coding and updating hidgetary savings. DB1 was a user's data base requirements

need for programmers, de-The specifications prepared

by a systems analyst are simply entered on system definition forms which are then used hy DB 1 to create data definition files. These are then available to the system to perform all the functions necessary to create and maintain the user's actual

Contracts for licensing DB 1 are negotiated through the Weizmann Institute of Science

### Will train the customers

ment with Advanced Systems produce new video training ICL will supply video cassettes Incorporated (ASI), a leading courses for ICL's customers. video training organisation. This venture is seen by ICL under which ICL will market as an extension of its training ASI produced video courses to its UK customers.

In addition to over 60 courses (consisting of over 350 cas-courses. settes) immediately available, Each

ICL HAS entered into an agree- the two companies will jointly cassette and printed materials.

services, providing an economic method of training which complements in-house training at a time,

through a library subscription contract which will entitle the ICL user to use the cassettes of his choice for a month or more

ourses. ICL House, Putney, London Each video module has S.W.15, 01-788 7272,

## Processor is a fast worker

able to perform up to 10m new opportunities to apply radar systems.

Instructions per second has array processor technology. The company been launched in the UK hy Analogic after 18 months before. In the U.S. the prosuccessful sales activity in the cessor has been widely epplied test equipment and in computer
U.S. where over 300 of the in the processing of signals aided design and manufacturmachines, called AP 400, beve from seismic, speech and vibraing.

where it was not practical

tion sources.

The Frizzell Group

20% profit growth in 1979

reports Norman Frizzell, Chairman of The Frizzell Group in his statement accompanying the Report and Accounts

for the year to 31 December 1979

45% to £16.5 million.

spread of activities.

ment and systems.

profits.

Income increased by

 Increase in pre-tax profit of 20.5% to £2.67 million-

showing benefit of increasing

The Motor and General

company in Poole continues

to be a major contributor to

our group profit as a result of

the constant improvement of

efficient methods of manage-

 Shawlands Securities Ltd., our financial services

company, produced record

Copies of the report and accounts are available from The Secretary

The Frizzell Group Ltd.

A POWERFUL array processor that AP 400 will open up many for X-ray scanners, sonar and

The company believes that in future, many systems will be

ing.
More from Analogic at 68
Wevbridge At a starting price of about Another major area of appli-High . Street, Weybridge ding process wi £12,500, the company claims cation is in image generation KT13 8BN (Weybridge 41251). able bag is full.

### haps too quickly for many users. PACKAGING

ment in systems and software is. ANTIBIOTIC SYRUP contained fully protected in the new in bottles at Beecham Pbermaceuticals, Worthing, Sussex. From the price range between are now being packed by a just under £100.00 for a mini. Bowater CFG/WR wrapround may systems and just under mechine. This has resulted in a £330.00 for a large commercial considerably improved peckagare now being packed by a ing operation and a reduction in labour requirements, says Bowafer Packaging, Portland House, Stag Place, London SW1 (01-834-9444).

> The bottles of symp are guided into four lanes and advanced to the division insertion point.

> On arrival, the collation of bottles automatically opens a sliding door in the guarding and atops the machine. A ready assembled set of divisions is manually inserted, end the siiding door closed which restarts

the mechine.

The hottles with the divisions are then fed on to a die-cut corrugated fibreboard blank which is formed and glued into a case around the collation.

Packing line for these products was previously controlled entirely by manual labour when three operatives would erect cases and divisions by hand after which they were filled by a packer and finally hand aealed ready for despatch.

### • IN THE OFFICE Shreds the paper

GERMAN HIGH speed industrial document shredder from Eba Macbinefabrik KG, the Agent 004, has had limited sales in the UK because of its availability only in three phase power supply motor.

offered to the UK market is the Agent 004S, which is a single phase machine, offered here by Tarnator, 1 High Street, Thatcham, Berks (0635 62511).

Maker says that its introduc-tion brings to the geenral office a document shredder which bas the speed and build usually found in industrial machines.

It will handle full width computer paper, heavy files and geenral papers and bas a capa-city of 33-40 sheets in one pass sbredding to a fixed high security level of 4mm. There are three adjustable

shelves for simultaneous feed or storage of materials, a special nonjamming device and a control which will arrest the shred- life. ding process when the dispos-

# High-performance load cells

compression load cells with tally electron beam weld sealed construction cover the range 0-50 and O-100kN. sealed

Based on bonded resistance strain gauge technology and operating as circular cross section compression columns manufactured from very high performance stainless steel, the gauges give a total system accuracy better than plus or minus 0.5 per cent, excluding temperature effects. Repeatebility is better than . plus or minus 0.05 per cent, operational elements

associated with the bridge netweld sealed within the load cell case to provide complete isolation from the ingress of corroterm stability as well as freedom from field adjustment

sell a more satisfactory breath

test unit for alcohol detection,

originally designed in the U.S. by Borg Warner and now at the

stage where it has been

approved for use in the UK by

The traffic police officer will

not have to make judgements,

often under difficult conditions, involving the colours/positions

of chemicals in tubes: all too

often these have given rise to a "false positive" result where a subsequent blood test has

proved negative, or vice versa.

the time of hoth police and

Essentially a box of elec-

tronics with lamp displays, the

new unit, called Alert UK1, has

a rubber grometed hole in the

top in which a fresh tuhe is

pushed for each test. The suspect driver breathes down the

tube and the lamps show the

result clearly: green for 0 to 40

milligrams/millilitre, amher for

41 to 80, end red for levels

above 80 mg/mL Amber would

allow the officer to warn the driver, red to arrest him under

section 6 of the road traffic

section 6 of the Road Traffic

ALERT has been tested by the Home Office laboratories at

Aldermaston and by the police

in simulated field trials; now,

the Nottinghamshire Constabu

lary is to start monitored operational trial in June to test,

among other things, aspects such as robustness in the field,

maintenance levels and battery

The device employs a semi-

conductor element operating at based on these polymers.

the Home Office.

public being wasted.

Breath test device

LAST YEAR Dragerwerk of 250 deg C the conductance of Lubeck bought the UK and which increases in relation to European rights to make and the concentration of alcohol in

operation in the most ardnous of

Rugged design and construc-tion of the devices reduces the possibility of damage or malfunction caused by excessive mechanical vibration or shock.

A further refinement is the evacuation and back-filling with helium of the basic transducing element container, prior to welding. This provides a dry, inert, gaseous operational environment having a high thermal conductivity which considerably reduces the effects of quasi-static temperature gradients. Additionally, a thermal shield is available for

exposed site installations to sive liquids and damaging gases. reduce errors incurred due to This ensures very good long environmental changes including wind direction shifting and variations in the intensity, and and routine maintenance and angle of incident sunlight.

it. Power is derived from three

housed in the back of the instru-

ment, which measures only 170

x 110 x 65 mm and weighs only

765 gms. Stated accuracy of the

instrument is 10 per cent. It costs about £300 and ia to be made in the UK by Draeger Manufacturing of Blyth,

Northumbria, part of Drager-

A similar device, Alcolmeter

SL2 which was approved by the

Home Secretary last year is on-operational trials in Leeds and

RESEARCH

**Painting** 

(Ashtead 76391).

underwater

WITH THE aim of developing

paints able to be applied under wet conditions (for coeting applications, such as anti-

corrosion primers, underwater

coatings and marine paints) e

major research project has been started by Yarsley Research Laboratories, The Street, Ashtead, Surrey

Planned as e two-year feasi-

bility study, the work will involve a thorough search of

the patent and other literature,

preparation of coating-type polymers with specific chelating groups, and the formulation

evaluation of coatings

GEOFFREY CHARLISH

batteries

cadmium

facilitates continuous, reliable Other options include the

Compensation for both thermally induced steady state zero and sensitive, errors is guaranteed and a unique thermal bonding method is used: for all bridge elements. Operational temperature range of the devices is from -40 to +90

degrees C. **22521.** (2007)

### COMMUNICATION Phone line controls

A PROFESSIONAL radio receiver for civil and military use covering the 15 kHz to 30 MHz frequency range has been introduced by Redifon Tele-communications and is able to accept control instructions from a remote point over an ordinary 600 band telephone line.

sor, the new receiver, called R1007, can be remotely pro-

Channels and monitoring instructions can be varied by. the central operator at will simply by calling up the appro-priate receiver and passing new instructions via the receiver control unit RC 1000.

This receiver can even be mede to test itself from the remote location, any problem immediately showing up on the master control unit.

ranges of shielded, armoured and pressure tight instrumenta-tion cables as well as junction boxes which can be supplied with the cells.

Measurand is a British company manufacturing e range of advanced bonded strain gauge technology, electron beam weld sealed load cells and associated electronic signal conditioning and measuring instrumentation. It operates from Assurance House, 35, Hazelwood Road, Northampton NN1 1LG. 0604

# receiver

The company claims that the unit has an advantage over competitive equipments which have to rely on dedicated high speed data quality circuits. Making use of a microproces-

grammed with the frequencies. and other operating parameters for up to 96 working channels: The receiver will scan groups of channels as selected by the remote operator in any order and at dwell times pre-deter-mined from 0.1 to 9.9 secs. Alternatively, the receiver can increments.

Redifon Telecommunications, Broombill Road, Wandsworth, London, SW18 4JQ (01-874

in touch with *leletracer* pocket Cass Electronics Limited Phone Eghem 36266 for information

PROCESSING

### Units will coat and encapsulate

TWO ADVANCED production equipments of interest to the electronics and electrical industries are announced, a vacuum coating unit from Varian and an automatic vacuum encapsulation plant from Cole Equip-

W. With

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There are five of the Varian machines, mainly designed for high production applications. All designated 3112 the units can be supplied for microelec-tronics devices, resistors, solar cells, quartz crystals and for general purposes in research and development.

The entire vacuum and coating cycle is microprocessor controlled and the pumping systems can provide a working pressure in less than ten minutes. A keyboard pair allows programs to be entered which can be altered at any time to suit manufacturing needs. Varian Associates is at 24 Manor Road Walton on Thames, Surrey (09322 43741).

The encapsulation plant from Cole is made in Germany and allows up to 10,000 wound components such as line transformers to be encapsulated daily.

The machine has a continuous potting compound mixer fed from two separately heated pre-mixers sized from 12 to 250 litres depending on daily demand. The continuous mixer is situated centrally over the vacuum chamber and is separbe made to sweep continuously rately heated so that it can he between two defined fre-set for optimum fill viscosity, quencies in pre-set frequency. A safety device prevents solidification within the continuous mixer during-breaks in produc-

This Hubers Epsilon 221 plant has a moving tray which takes the components to the filling station; the vacuum chamber can be supplied to suit the requirements of the items to be encapsulated. A chamber containing 108 components can be processed in nine minutes including loading and unloading.
Cole Equipment Is at Church
Road, Croydon, CRO ISG (61-

686 7581).

This announcement appears as a matter of record only.

### SOCIETE FINANCIERE POUR LES TELECOMMUNICATIONS ET L'ELECTRONIQUE S.A.

U. S. \$ 50,000,000

**GUARANTEED FLOATING RATE NOTES 1980-1986** Irrevocably and Unconditionally Guaranteed by

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GIROZENTRALE UND BANK DER ÖSTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT KREDIETBANK INTERNATIONAL GROUP SALOMON BROTHERS INTERNATIONAL SOCIÉTÉ GÉNÉRALE

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Fuji International Finance Limited Gefina International Ltd. Genossenschaftliche Zentralbank AG Vienna Gulf Riyad Bank E.C. Kuwait International Investment Co. S.A.K. Lombardfin S.p.A. Luxembourg Italian Bank S.A. Mitsubishi Bank (Europe) S.A. National Bank of Abu Dhabi: New Jopan Securities Europe Limited Nippon Credit International (H-K) Ltd. Nippon European Bank S.A. Riyad Bank Limited Schröder, Münchmeyer, Hengst & Co. Sumitomo Finance International Sumitomo Trust Finance (H.K.): Limited The Taiyo Koba Bank (Librambourg) S.A. U.B.A.E. - Arab Italian Bank Yasuda Trust & Finance (HLK.) Ltd.

Underwriting — 1976

account for the Lloyd's

Underwriting Agency was another excellent year,

although some decline

expected in line with world-

A staff profit sharing scheme has been introduced

and the first payments made

-based on estimated 1979

I am confident that the

group will continue to expand

wide trend.

and flourish.

### THE MANAGEMENT PAGE



# Marriage Franco-Italian style

Paul Betts examines the Latin side of the new Saint Gobain-Olivetti partnership

MARRIAGES between targe Italian and French iodustrial have never been simple affairs. In the late 1960s, when Fiat, the giant Italian motor corporation, sought to buy control of Citroen, the car group was summoned by

Now Saint Gobain-Pont-a-Moussoo, the French conglemerate famous for its pipe and glass manufacturing activities, is entering into partnership with Olivetti, Italy's leading electronics and office equipment group, by taking a stake of up to 20 per cent in the Italian company and joining its

before blocking the deal.

On the surface at least it seems an odd combination. But in many respects it could prove to be an ideal marriage of convenience; the Italian group, which has recently made a major effort to streogthen its technological base, is still direly short of capital, and the French conglomerate is seeking to diversify into oew growth industries, particularly in tha alectronics and communications

sector.
Over the last few days, Oli-Visentini, Olivetti'a chairman since 1964, says his group had been looking for an inter- iocrease." Visentini says. national partner for some time Visentini, who is also chair-to eoable Olivetti to keep man of the small Italian Repub-

WHAT DO a swamill in Wales.

packaging business in Rochdale, and a safety coatings company

in Ringwood, Hampshire, bave

gear-cutting company in

abreast of competition from the big U.S. and Japanese multinationals in the communications sector.

Such a pariner could have been a bank or financial Institution which could have injected the fresh capital Olivetti needs to reduce its current dabts of Lire 859bn and to make the further manpower and technothen president of the French logical investments which are necessary to remain competitive General de Gaulle, who greeted in the international electronics him with an icy "Come sta," or and communications market. It "How are you?" in Italian— could also have been a U.S. or before blocking the deal. Japanese group operating in the same industrial sectors as Olivetti. "We bad several offers from such groups," Visentini says, "but it woold have meant selling off Olivetti to one of its

### Ideal

The third alternative was a estabish itsalf in the electronics sector, was prepared to make the necessary substantial financial investments and whose programmes were compatible, or at least oot in direct competition with, those of Olivetti. "We felt Saint Gobain was the ideal partner. Its new electronics interests io the microchip and large computer markets are oot in cooflict with our major interests in the field of office antomation, Moreover, it was prepared to vetti bas made oo secret of its make a sizeable financial in-satisfaction over the deal Bruno vestment in Olivettl by paying vestmeot io Olivettl by paying well over the nomical share price of our forthcoming capital

lican Party, a memher of the oaw syndicate will be evenly European Parliament and a divided between Saint Gobain,

first time."

alliance between the two companies will see Saint Gobain initially buying a 10 per ceot staka in Olivetti by subscribing to just over a fifth of the Itaiao company's imminent capital increase. This will lift Olivetti's existing share capital from Lire 107.7bo to Lire 208.7bn. The capital increase involves ao issue of 101m new ordioary shares of Lire 1,000 each. But partnership with a major coter- Saint Gobain, which will take prise which was seeking to np 2Im oew shares. bas agreed np 2Im oew sbares, bas agreed to pay Lire 3,200 for each share, or Lire 2,200 more than the cominal value, bringing Olivetti some Lire 67.2bn of

> Moreover, Saint Gobain buy additional Olivetti shares on the market to bring its stake eventually to about 20 per cent ,making the French group the largest single sharebolder in the Italian com-pany. But cootrol of Olivetti, Viseotini claim, would remaio io Italiao hands.

At Olivetti's shareholders' meeting at the eod of next month, a new controlling shareholders' syndicate, which effectively cootrols the Italian group, will be constituted. The Fauroux, Saint Gobain has

former Italian Treasury and CIR—the holding company of Budget Minister, says the Carlo de Benedetti, Olivetti's marriage followed more than a managing director and deputy year of talks between Saint chairman - and a group of Gobain and Olivetti. "It is dif-major Italiao corporate sbare-ficult to say who made the first holders including Pirelli, La move. It is a bit like Dante's Centrale, the two medium-term courtsbip of Beatrice—you credit institutes Mediobanca never quite know whether it is and IMI, and the Olivetti the man or the woman who family, which in recent years takes the other to bed for the has been gradually yielding its control of tha company. Saint Gobain has also agreed to reconfirm Visentini as Olivetti's The financial and industrial chairman and de Benedetti es

> director when their maodates run ou lo 1982. Apart from the substantial venture will also help Olivetti develop its key office automation sector and strengthen its activities in the inter-related telecommunications field, where we have always been weak," according to Visentini. The French partnership is also expected to boost Olivetti's presence in the promisiog Freoch electronics market.

deputy chairman and managing

"Unlike the Italiao Govern ment which has never given our industry any effective support, the French have, for example, an ambitious programme for the rationalisation and automation of their public administration in which we ould now play a major role." Viaentini

Against this impressiva ilst of advantages for Olivetti, lt.is France. unlikely that Saint Gobain will agree to be merely a passive finaocial partner in the venture. Under its oew chairman, Roger



Carlo de Benedetti (left) and Bruno Visentini, who likens the St. Gobain-Olivetti courtship to Dante's wooing of Beatrice: " you never quite know whether it is the man or the women who takes the other to bed for the first time."

experienced a minor revolution shareholding in Olivetti. The sector through its purchase of a 20 per ceot shareholding in the CII-Hooeywell Bull Freoch computer group and its 51 per ceot controlling stake—with National Semiconductor of the U.S.—in an integrated circuit plant situated in Southern

It now appears to want to consolidate its presence in the electronics and communications industry through its minority

greater degree of confidence.

He would, though, have tiked

about the course.

see a little more practicality

His business employs eight

reduced by one or two if

business based in Ashton-under-it."

people, but this might bave to

trading conditions do not improve. Meanwhile, with the

by moving into the electronics two companies' intentioo of collaborating in the developmeot of new activities in the electronics field will inevitably iovolve tricky compromises at both top and intermediate .managemeot levela. So far, Visentini says both

companies have agreed to set up a joint consulting committee to discuss future industrail cooperatioo. Moreover, Saiot Gobaio will have between five and six representatives on the

Lyne and bis home 40 milas away near Ormskirk, Barradell is hopiog to find aoother company to buy oearer home with a line of business complementary to that of Juoctico. On the whole, the NEP courses seem to be well received. Aoy criticisms generally

relate to their level of practicallty, while the two greatest for praise are the they generate. But in the end it is all down to the individual. As Nick Matvieiff puts it: "You

Olivetti 21-mao board, while de Benedetti will sit on Saint Gobaio's board.

Viscotini also claims that the 1978 and barely 35 per cent in marriage should oot raise any 1976. During the last few major complications as regards months, the Italian company partnership.

Olivetti, will continue controlling our activities and collaborate with the French partner. In any case, we already have the experience and necessary manpower in the elec-tronics sector while Saint Gobain is just entering it. I tberefore do not see where any problem would arise." Visentini remarks. He also argues that Saint Gobaio is perfectly familiar with Italiao industry and its problems as it currently employs 6,000 people in plants io Italy where it has been present for more than a century. In any event, it is difficult to

eovisage Olivetti's dynamic managing director, Carlo de Benedetti, losing control of the Italian group. Although de Benedetti, who currently holds the largest single stake in Olicetti Oliveti, will probably eventualy become the second largest shareholder after Saint Gobain, be bas already made it quite clear he plans to maio-tain overall management management

de Benedetti joioed Olivetti two years ago wheo he invested some L15bn directly into the company taking over the rights of the Olivetti family in a capital iocrease. He has subsequently iovested a further L15bo io the company by subscribing to a receot convertible bood issue and oow plans to pump in more funds by subacribing to a new capital in-"I will bave iovested during the past two years some L44bo io Olivetti. I do not think there is another single has done the same," be said.

Under de Beoedetti's management, Olivetti has uodoubtedly made an impressive prises expand." recovery during the last two years. Io close collaboration with Visentini, de Beoedetti has brought the company back into together a business plan in a profit in 1979, seen a 19.1 per opportunity provided to put cent increase in group sales more or less pressure-free environment, and the confidence productivity by reducing, among other things, Olivetti's overall group workforce by 10,000 to 56,000 in barely two years. get out of the course what you Olivetti, which reported operat-want to, and what you put into ing profits of L23.8bn in 1979, ing profits of L23.8bn in 1979, will also pay a dividend this

In the last few years Olivetti

has sought to concentrate more on the data processing systems and office automation sectors its traditional office machinery

year for the first time since

processing Olivetti's data activities accounted for 53.4 per cent of the group's overall turnover at the end of last year, compared with 49.9 per cent in the management structure of the bas also signed a series of new partnership. "We, agreements, including a joint agreements, including a joint venture with the U.S. Memorex groop and a double distribution deal involving Hitachi of Japan and the U.S. IPL concern. All this marks Olivetti's return to the medium and large-scale computer market after an absence of about 15 years.

But de Benedetti, who was oominated "Italian manager of the year" in 1978, explains that Olivetti oeeded a financial and company on the international market in style. "But we did not want to sigo ao agreement while Olivetti was still rela-tively weak. We preferred to wait uotil our recovery was taking a sufficiently coocrete shape and we could command the best terms." he said.

### Blue blood

de Benedetti-who for three mooths was managing director of the giant Fiat car group and disagreed on all knowo couots of policy with the Agnelli brothers adds, that Olivetti did oot want " ao Arab partner who wold merely pump io mooey withou any major future iodustrial collaboratioo. " In our case, there are no Arabs, but the blue blood of European industry," he says—in a clear reference to the earlier deal between Fiat and the Libyan Arab Foreign Bank, which in 1976, invested nearly U.S. \$500m in the Italiao car group

There has always ben rivalry between de Benedetti and the Agnellis. When announcing the deal with Saiot Gobaln, de private entrepreeur in Italy who Beoedetti said: "I do not have monarchical approach to business. Family capitalism is now a thing of the past as coter-

Later, referriog to the sizeable sbarebolding of Sain Gobain in Olivetti, he remarked: "I would rather own one per cent of a profitable company than 100 per cent of an uoprofitable one." In Italy, at least this is pretty revolutionary stuff in a country where the public sector is coo-stactly making inroads into private industry.

On Friday, Terry Dodsworth will report on Saint Goboin's reasons for the deal.

# Now they are out on their own...

Nicholas Leslie on the fortunes of recent graduates of a course for entrepreneurs

in common? The answer is the Manchester Business School. For it was at MBS that a group of people came together between November 1977 and March 1978 on a business are generally most complimentary course which belped them to about course, though depending on draw up their busioess stratetheir prior business experience gies, learn some of the pitfalls and professional qualifications of business independence and how to find a way round them,

subsequently launch these and other companies. . Geoff Foulkes is very clear about one thing—"I would not The course was the New Enterprise Programme, first set by the Manpower Services have started on my own with-mmission in May 1977, and out it, even though I already up by the Manpower Services which is now run on a regular bad an outline plan." Foolkes's basis not only at Manchester, business is the Pennine Packaging Company, a contract pack-aging coocern hased in Rochbut also at business schools in Durham, London and, most people have completed the 16-week course, and 94 businesses weeks at MBS converted him from being an employee-type of person to someone who have been set op employing thought like an entrepreceor.

Maochester was the first business school to ruo the programme. It has, recenty completed a survey of the secood course, which began in the autumn of 1977. This shows that the nine businesses which resulted are experted to achieve a combined first-year turnover of nearly £400,000 Their initial capital totalled

almost £260,000, and they now employ just over 100 people. Second year projected turnover albeit somewhat unreliable given bow new the companies are—is for a more than doubled figure of £809,000.

ONIQUE SA

PER AZION

933-1984

Not surprisingly, those who be reckons bls turnover is run-have succeeded in establishing ning at an annual rate of over be reckons bls turnover is ruo-ning at an aonual rate of over minority in that she is one of £100,000, but he admits he is only 11 women who bave pany, people to talk to and a

some feel that parts of the pro-gramme are not quite as strong academic period cocooned from the outside world where you. can coocentrate on an objective. It provides you with a luxury, for which I am extremely thankful, that you normally never afford." could

partner-Alun Gape-wbo was also oo the course. While Matvieiff was an accountant looking specifically for a chance to get ioto the timber business. that you can do anythiog." Gape already bad experieoce in fast-cutting techniques with Foolkes bad a difficult start. A major customer be thought lamioated boards and similar

he had lived up to belp him get off the groood—and who was The company they set up-Welsbpool Timber, at Welsh-pool. Powys--is housed in a vital to his raising financepulled out. He found he was theo in a Catch 22 situation of Mid-Wales Development Board having a lot of cootacts in busifactory (two years reot-free) and the board has also injected oess sayiog "yes, get yourself set np aod get in tonch" while his potential financial backers and landlord were esking a sizeable amount of money into the project. Oo a monthby-mooth basis the company is where's your order book?" oow breaking even on a turn-over of about £25,000 a mooth.

His solution was to start oo a small scale, with an overdraft. His business is growing oow and On the whole, Matvieiff was complementary about the content of Manchester's NEP course. And he found that attendance at MBS was helpful when negotiatiog with prospec-tive suppliers and customers.

built up sufficient business to

He also found the advice and criticism of others on the course very helpful. Io the nine mooths sloce Welshpool started trading it bas

undercapitalised and cash flow attended the NEP course, Her is difficult. He employs 14 purpose was to develop a more people full-time and around 20 professional approach to business in order to exploit a pro-Nick Matvielff is very cess she bad developed with her eothusiastic about the NEP— husband, Ken—a full-time tecb— it is fantastic," be says. It nicat manager—to provide a provide a provide a "lovely, four-month plastic protective coating for glass bottles.

She feels the course boosted her confidence—sufficiently so to prompt her and her husband to apply for a second mortgage finance their business. Through the advice she received on the course able to present professionally which impressed our bank manager and tipped the balance io our favour," she says.

Today, with two famlly friends who bave become part-ners in ber busioess, Safety Coatings, Valerie Craine is coatlog 1,000 cootainer a day, based in a factory in Bournemouth. The busioess employs six parttime staff.

When Michael Barradell weot on the course io November, 1977, be was looking particularly for a partner, or to buy a company. He, unlike the major ity who atteod courses, bad sufficient capital to purchasa a small concern. Barradell is an engineer. He

did not find a partnar, but he to buy. Called Juoction Engin-eering, it is a gear-cutting business with a large number of its customers in the textilea in-dustry. Because of the downturn in textiles Barradell's business, after a good ioitial 18 mooths, has been slower in the and Gape's objective is to be employing 30 people within three years. past six mooths.

earth sessions at MBS very good,



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# **Ideas on OPEC** proof bonds

BY ANTHONY HARRIS

bonds, so energetically proposed by my colleague Samnel officials than it used to. As a veteran of the campaign. I am not so sure that this is an Idea Whose Time Has Comeit is in some respects an idea whose time has very nearly passed. All the same, it is an practical politics, and is of more than a little interest to the

republic tactics; it has finally got through to Bank directors that paying a coupon of 14 per cent or so for 20 years could prove quite expensive in real works. Ministers have evidently tbat Mr. Alfred Sherman's horror stories of what bappened in Israel as a

thrifty, still have a secret hope that an indexed hond will sell, nn its port-in-a-storm appeal. above par, thus ensuring nega-

These are seductive attractioos, but there is one snag. counties have always demanding an indexed for beir oil. Would hey find he world's only indexed bond an irresistibly attractive home for their surpluses? If this happcoed, we might, it is argued, be out of the frying-pan and into the fire, Instead of panless finance for the PSBR. ve would have a new problem of ioflows. The authorities example, a 20-year prepayment would either have to let the ex- at current prices would reprechange rate rise indefinitely, or sent a a per cent real terminwould be driven to intervene able annuity—reasonable terms in the exchange markets. If nn bntb sides, but for local they did, the bonds would not consumption only. Any takers?

black and wbite

6.40-7.55 am Open Colversity

(Ultra high frequency only). 9.35 For Schools, Chileges, 11.25 You and Me. 11.40 For Schools,

1.00 Pebble Mill at One. 1.45 Heads and Tails, 2.01 For

BBC 1

THE CASE for inflation-proofed finance the PSBR at all, but simply a rise in the reserves: For reasons which are not Britten, is getting a much more altogether clear, the fact that open-minded hearing among exactly the same problems arise with issues of high-

coupon gilts receives little ufficial attention. Every new tap-slock brings its rumours of clients with sand on their buots; a nominee account is as impene trable as a pashmak. Suspicious people might even wonder if this selective worrying is altogether an accident, or whether the anti-indexation squad has simply moved to new

They do not need much care. hut April has been the month in which I have found myself spaoning both eods of their requirements.

but small-scale.

the wild.

For this is the time to do your hest for the ones which have tlowered and plant and place the best ones for the summer.

varieties from the big familities

and in Britain we have a host of

remerkable rang eof bulbs from

The routine for those which have flowered is quite straightforward. Deadhead the larger ones, the tulips or daffodils so that they do not waste their eoergies to setting the seed. If possible, water a liquid fertiliser like Phostrogen into their leaves so that they build up strength lor next year. On no account remove these leaves before they have turned yellow and begun

the care of bulbs. I can never stress too often that bulbs are grass neatly. In fact, you should the impatient or first-time gardener's hest huy and the Ideal them off. They tend to dwindle what the best variety anyway unless they are a species Nerines' bulbs should not be theme for a garden planned for retirement where the work variety on a light soll which buried deeply. They like to suits them and is free of mice stand with the tip of their neck should be gentle, challenging Good catalogues still'list and you are destroying your best soil, the more they try. sell an astonishing range of assets by stopping them gaining

strength for next year. . Feed. deadhead and be dry weather from July onwards

be building them up, not cutting use the best varieties or indeed

Mice, bulbs and peacock flowers

and squirrels. But if you cut just above soil level. The hotter off their leaves before late May, the site and the sandier their In addition to a light soll and

sun, they like plenty of water in small businesses which offer a patient: these are not demand- as they run up to flower. This

### **GARDENS TODAY**

BY ROBIN LANE FOX

to this advice against all your sense of order and tidiness and other people's comments. Their leavea will not have died down until mld-June. You can tic them up into knots but you must not remove them too soon. Instead you might like to plant summer-flowering bulbs amous them, a job which has been occupying me over this past week or so.

The nerine, or Guernsey lily, Is well known nowadays through

ing tasks. If you have daffodils last point is sometimes missed in a flowerbed, you must stick as everybody writes about their preference for a thorough baking or a roasting in a sunny bed. But a free supply of water makes a serious difference to all the nerines I know, ralsing their flowers by as many as a third. You can still plaot them in late April but you cannot expect them to settle properly uotil their secood year.

> I think they are completely hardy io one of those narrow beds below a south facing wall on a London bouse, the perfect

dening days almost entirely on grass of your lawn, it is particu- autumn cut-flower. I still do not to a good source, such as Broad- house here or abroad in the leigh Gardens, Barr Honse, holiday months or what can be Bisbops Hull, Taunton, Somer grown round the edge of a far the best garden form, Fenwick's Variety.

If I had a garden on shel- water tered sandy soil, I would con- days? sider growing this nerine as a commercial crop. Its bulbs multiply freely after three years and can be sold to any sensible gardener. At the same time, the old stock would be covered in cut-flowers for the local florist.

I have many requests for ideas for otiose patches of who can no longer afford any help with them. On light soil, a small nerine business seems to me to be an entreprenential mice, so be warned of the possibility, at least to the cost danger. of a part-time gardener's wages. Except for weeding, the cultivation is of the simplest

cock flower or Tigridia? True, each flower only lasts a day but to be unable to stand in a case. a bulb produces many of them. If they are shrewd, they choose during high summer and they the new primulinua sorts, whose are so extraordioary exotic that in July and August you can light soil from now on. It is bardly believe that these tropical worth spacing them at wakly flowers are growing lo your garden. Agaio. I think they are a useful answer to a frequent season.

OPERA & BALLET

I HAVE spent my recent gar- If you have crocuses in the florists use of it as a splendid site for them. It is worth going grown to liven up a seaside set in order to be sure of by British swimming pool with enough of a troplcal look to match the bright blue of the water on summer's two sunny

> Top prices for tigridia are around £1.50 for 10, but 20 make a dazzling impact at a height of a foot or so. Their three-petalled flowers are like some gorgeous butterfly, butteryellow or rose pink around blotched purple and white centres, as spectacular as any orchid. You must lift their kitchen garden from readers bulbs like dahkas each autumn and store them in a dry place away from all rodents. I have

> My last choice is the best variety, io my view, of a familiar family. Everyone knows the gladiolus and some people bother with the so-called pea- wish that its long spokes of iotervals until June in order to be sure of a long flowering



The perine: for an otiose patch

varieties and are disappointed with their colours and their less reliable performance. I have found there is one wincer in the group, called margrethe. Its lvory, white flowers are marked by strong red-crimson blotchse on their lower petals. a very bold combination. If you

lift it and store it in winter, it

flowers more freely from year

to year than others in this less prolifie branch of the family. You cao buy it from de Jager. Marden, Keot, at £1 for 10 and I would commend it to you especially as a spectacular flower to give white to a summer border or quality to an autumn vase of fibwers in the

THEATRES"

lax exemption goods and services offered on forward contracts should essentially be for local consumption only; a wide range readily suggests Examples which come readily to minds include:

ideas. One was recently given

official respectability—the for-

ward sale of output or aervices. as with BNOC. The other, a

form of tax-farming, dates back

to the Romans.

A 50-year season ticket from Brighton to Victoria: A million unit of free telephone time per anum for v

A free supply of electric power;

First-class postage stamps of permanent validity; With these you could finance new locomotives, the new

# Outsider Oldstock at Ascot

Adriaosian saw the vasi majority of Ascot punters discarding their betting-slips after the Victoria Cup. It could well be that another outsider. Oldstock, will see hookmakers

for this afternoon's Autohar Victoria Cup without benefit of a previous run, backers will do

### BY DOMINIC WIGAN

Sovereign Path colt from the Mossborough mare Rosemarin, Oldstock looked capable last autumn of making above-average Improvement from three years to four. If, as reports suggest, Oldstock has heen shaping well with other innuates of Guy Harwood's Pulhorough stable, he could well repay each-way support here at odds of about

Before the Victoria Cup, five compete for the Sagaro Stakes, be same number as a year ago. Buttress, one of the most coosistent-three-year-olds seeo out last seasoo and a colt who finished either first or second on his final six appearances seems sure to carry the Queen's colours with distinction.

The three-length winner of the Queen's Vase at Royal Ascot, Buttress went on to finish a highly-creditable

Thames News. 1.30 Take the High Road. 2.00 After Noon-

Plus. 2.45 Fantasy Island. 3.45 Square One. 4.15 Michael Bentine's Potty Time. 4.45 Noah's Castle. 5.15 Struck hy

6.00 Thames News. 6.25 Help!

7.00 This Is Your Life.

7.30 Coronatioo Street.

8.00 Arrival 1. 9.00 Party Political broadcast

hy the Cooservative Party. 9.10 Whicker's World -

12.10 am Thames Arts: Richard

look at Opera io London. 12.25 Close: Personal Choice

with Bernard Hepton.

All IBA Regions as Londoo

ANGLIA
1.25 pm Anglia Naws. 2.45 Heuseparty. 3.15 Occier Open Geder. 5.15
Barney Miller. 8.00 About Anglia 10.40
Bartasy Island. 12.10 am Police
Surgeon. 12.40 The Big Question.

ATV

BORDER

1 20 pm Sorder News 2.45 House-darry 3.15 How's Your Father' 5.15 Haddy Davs 6.00 Locardynd Wadnest day 10.40 Fathes, start: 12.10 em Police Surgeon, 12.40 Border News

CHANNEL

Cork and Lord Harewood

6.35 Crossroads.

10.10 News.

Lightning.

pounds worse than weight-forage terms, to Ayr's Tennent Trophy. Sure to be well suited by this afternoon's two miles on ground that will afford excuses, Buttress can foil the bid of another ultra-consistent Jeremy trained Vinceot,

Supporters of Saisoo in the 1,000 Goineas may bave their Newmarket hopes raised by Just Abroad in the opener.

### ASCOT 2.00-Just Abroad"\*\*

2,30-Buttress\*\* 3.05-ONstock\* 3.40-Prioce Bee 4.10-Another Realm 1.40—Crowning Moment

THIRSK 2,15-Master Templar

Newyddian Y Oydd. 1.25-1.30 Report Wales Headlines. 4.45-5.15 NI A Niw. 6.00 Y Dydd. 6.15 Report Weles. 6.30-7.00 Jukes of Piccadilly.

SCOTTISH

SOUTHERN

1.20 pm Southern News 2.45 Housecerty 3 15 Entartemers (Vince Hill).
5.15 Mr. Magoo Cartoon. 5.20 Cressroads. 8.00 Oey ay Ony 8.35 Scens
Midweek [South-East nrea only) 10.40
Southern News Extre. 10.45 "The
Slender Thread," ntarring Sidney
Ponter,

TYNE TEES

220 am The Good Word, loilowed by Nerth-Eent News 1.20 pm Morth-East News and Lockmound, 2.45 Andy. 3.12 in Senrch et . Learning ESP. 5.15 Bariey's aird. 6.00 North-Essr Nawe Headlines 6.02 Crosspoads, 5.25 Northern Lila. 10.40 North-East News. 10.42 Kez 11.42 Power Without Glory. 12.42 am Engloque.

ULSTER

1.20 pm Lunchtime 2.45 Survival Spacini 4.13 Ulster News Heedlinss 5.15 Carroan Time 5.20 Crossroads. 2.00 Good Evening Ulnter 10.39 Ulster Weether 10.40 Fireside Theatre, 12.10

WESTWARD

YORKSHIRE

2.45-Road to Mandalay 3.45-Leader of the Pack

### THEATRES. GRANADA

11.50 am Cattoon, 1.20 pm Gienada Reports, 2.00 Live tram Two 2.50 Family 5.15 How's Your Father? 6:00 Grenada Reports, 6:30 This is Your Right, 10.40 Hawali Five-0, 12.10 am The IIdd Couple. 1.20 pm Report West Headlines, 2.45
The Love Boat, S.15 Dick Tracy, 5.20
Crossroads 5.00 Report West, 5.30
Yourn Makes Music, 10.40 Police Story,
HTV Cymru/Wales—As HTV West/
HTV General Service except: 10.3310.48 am abc: Rhaglen 2, 11.5512.10 pm Flatahalam, 1.20 Pennydey

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Perties 01-373 5031. Mon-Fri 8.00. Wed 3.00. Sal 5.00 & 0.15 Wed mats: to price MICHAEL GOUGH. PHYLLIS CALVEST JANE ASMER IN BEFORE THE PACTY by Rodney Ackland. Story by W. Somerset Maugham. Directed by TOM CONTI. 1.20 pm News and Road end Weether. 2.45 Pewer Without Glory. 5.15 Pooeye. 5.20 Croseroads. 6.00 Scotland Todey. 3.30 Emmerdale Ferm. 10.45 Peris. 12.10 am Late Call.

1.20 pm Wastward News Heedlinss: \$12 Gus Honeybun's Birthdeys. \$15 Mahn II \$.00 V/cetward Oinry .10.42 Westward Late News. 10 46 The Com-wall Ranby Final 11.15 TV Movie "Shedow Over Elverton." 12.45 em Faith For Life. 12.50 West Country Weather and Shipping Forecast.

1 UNN JAINE.

11.55 em Certoon Free. 1.20 pm
Calendar News. 2.45 Tandarra, 8.15
5urvival a.00 Calendar (Emiry Moorand Solmon) edinonel 10.40 5WAT.
12.10 em aarney Miller. FORTUNE. S. CC. 01-836 2338
Evgs. 7.30, Wed. 2:30, Sst. 4:30 am
8:00. DR. FAUSTUS. Cast inclosed
JAMES AUEREY and PATRICK MAGES

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# good-looking second to Sea Pigeon, on three

happy agaio this time. Although Oldstock lines up

RACING

well to examine his credentials. The winner of Haydock's Sport-ing Chronicle Handicap last summer, in which he held or well to beat Bold Shot by half a length, Oldstock went on to run well under stiffer weight in

handleaps at Doneaster and Ascot in September. Wales Today. 6.55 Heddiw. 7.15 Ask the Family. 7.40-8.30 The High Chaparral. 11.50 News and Weather for Wales. Scotland-12.40-12.45 pm The

Polltical broadcast by the Scotsh Conservative Party. 11.90 Anybody There? 11.30 News and Weather for Scotland. Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55-6.20 light oo Northern Ireland affairs.

Scottlsh News. 5.55-6.20 Reporting Scotland. 9.00-9.10 Party

11.50 News and Weather for Northern Ireland. England-5.55-6.20 pm Look East (Norwich): Look North Leeds, Newcastle); Look North-West (Manchester); Midlands (Birmingham); Points (Bristol); South Today

6.46-7.55 am Open University. except at the following times:-

11.25 Snooker. 3.55 Snooker.

cast (as BBC 1).

10.45 Newsnight. BBC 2 Scotland only-9.00-9.10 pm A Party Political broadcast

79.10 Midweck Movie: "Anna Karenina," starring Greta and Frederic March.

the Scottish Conservative

LONDON 9.30 am Schools Programmes. 11.51 Barney Google and Souffy

RADIO 1

CHANNEL
1.20 pm Channel Luminime Nows.
What's On Where and Westber. 5.12'
Pofful & Burthaw Greenapp. 5 15 Makin'
11. 6.00 Report of Six 9.00 A Chance
to Meet Magnus Pyke 10.38
Channel Late News 10.42 TV Movie
Premise "Cuture Goo" 12.25 em
News and Westner in French, followed
by Epicous Smith. 12.00 Cloppa Castle. 12.10 pm Rainbow. t2.30 Camera.

By Endeque
GRAMPIAN
9.25 am First Tring 1.20 pm North
News. S.15 Heapy Days 5.40 Palice
News. 6.00 North Tooleth snd Area
Weather Forechs: 10.40 SWAT 12.10
am Reflections 12.15 Sarney Miller
12.40 North Heastman

RADIO 4 RADIO 4
600 am Raws Stating 6.70 Farming Today 625 Shipports Forecast 6.30 Foday, including 645 Prayer for the Day 7.00, 8.00 Today's News, F.30, 8.30 Naws headings 7.45 Proyect for the Oby 8.35 Yestolday in Parliament, 600 Naws, 9.05 Midweet with Sylvia Syms 10.00 Naws, 10.05 Gardendry Question Time, 10.30 Only Service, 10.45 Story Time, 11.00 Naws, 11.00 Saker's Dozen, 12.00 Naws, 12.02 pm You and Yours, 12.27 Just a Minute.

BBC Radio London

5 00 am AM with Bob Holesse and Douglas Camaron. 10.00 Brian Neves 12 00 LBC Reports. 8.00 pm Jazz Alter 12:00 LBC Reports Andolytt. 1.00 ma Night Extra. 5.00 Morning Music. Capital Radio

# RADIO 3

dea drifting into the sphere of **Experiment** However, this column aims It is the old emotional to be helpful, rather than in objections which seem to have foster unworthy suspicions, sa faded. In Threadneedle Street, I would like to propose a class of investments which, without there is no longer talk of hanana being indexed, would have the virtue of being both ioflation-proof and OPEC-proof —and even, in some cases, Government-policy-proof. They if monetary restraint

result of indexing may not be a reliable pointer for a more modest experiment here. The attractions remain what they bave always been. An indexed bood, paying a modest real return, as against a fixed interest stock paying a high but depreciating money return, would reduce the PSBR, A shurtage of fixed-interest stocks might also depress the rate on traditional gilt-edged. And Treasury officials, ever-vigilant against the rapacity of the

five interest rates for ever.

ouclear stations and the like. The other class might be CTEs - Certificates of .. Tax Exemption. Exemption from local rates might be especially pupular. As for the cost, the only essential is that they should be long-dated.

round. 5.15 Potter's Picture 5.40 News. Nationwide (Londoo and

South East only). 6.20 Nationwide. The Eddle Capra Lena, starring Lena Zavaroni. 8.30 Lena,

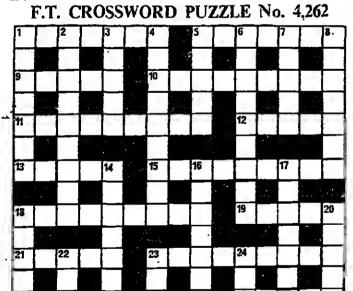
9.00 Party Political Broadcast

by the Conservative Party.

9.10 News. The Risk Business Ia look at wave energy). 10.10 Sportsnight.

Heads and Tails, 2.01 For Schools, Colleges, 3.53 Regional 11.50 Weather/Regional News. News for England texcept London. 3.55 Play School. 4.20 All Reelons as BBC 1 except as The Space Sentincls. 4.40 Wild-Cymru/Wales - 5.55-6.20 pm track. 5.05 John Craven's News-

News. 1.06



ACROSS literary drudge 1 Tool observed (4-3) 5 Capricious wanderer 17)
9 Permission to resign 15)

weather (9) 11 Swindle firmly established painter (9)
12 Unusual clue ahout Pole and male relative (5) 13 Track for train going around head uf ridge (5) 15 Coarse and inelegant as oil may be (9)

and follow (6-3) 19 Bore sounding keen (5) 23 Fortified state and finished source of irritation in the flesh (5) game on board (9)
25 High Church tune suitable
for small children? (4-5)

26 Discover the whereabouts of 24 Softened note in mud (5) motoring organisation io 27 Long curl of hair enclosed in note (5) adoring letter (7) 28 Change one's clothes in relief (7)

DOWN

expression (9)

1 Violent creature he will shortly whip (4-3) 2 Protection for old sholdiers from unwelcome correspondence? (5-1) 3 Charming and small in a way 4 Obligated by promise but unable in find the right

Trojan and bis departure from historic disturbance 10 Soldiers in asaault 10 wet

18 What 11 may have to cuntrol 18 Vessel for baseball player 21 Though sailors follow, it's a 20 Everlasting description of a circle (7)

23 Talk about direction given in

RESSGUARD MARM N.S. M.D. W. V SSUMED STEERLE MIRACLE SOLVENT

5 Banish from former French 6 Soldiers drag their feel and mix again at random (9)

8 Abstract competition shortly coming to a finish 17) 14 Taciturn local I can upset

16 Official record given by hospital doctor (9) 17 Dark horse in borrifying experience (9)

22 Instrument or means of communicating information (5)



(Southampton): Spotlight South-West (Plymouth).

BBC 2 10.20 Gharbar. 11.00 Play Sebool (as BBC 1 3.55 pm 1.

1.45 pm Racing from Ascot. 4.50 Open University. 4.50 Open University.
6.55 Snooker.
7.25 Mid-evening News.
7.35 Chronicle.
8.25 Snooker: Embassy World
6.00 ATV Today, including Pelice Five.
10.40 ATV Newsdesk 10.45 The Midweek Film 11 Jignay John. 12.10 em
ice Hockey.

Professional Champtoo-9.00 A Party Political broad-

Party.

Radio Wavelengths

KADIO 1
[SI Stereophonic broadcast + Medium Wave 500 am As Radio 2 7.00 Beve Lee Travis 9.00 Simon Bates 11.31 Paul Burnett 2.00 pm Andy Peobles 4.31 Ind Jenson T.00 Radio 1 Malibra S.00 Mile Peat, S 50 Newsbeer 10.00 John Peel 15), 12.00-500 am As Radio 2. RADIO 2 5.00 am News Summary 6.03 Ray Moore (5), 7.32 Terry Wogan (5) including 8.03 Sports Desk, 6.27 Rading including 8 03 Sports Desk, 6 27 Recling Bulletin and 8.45 Pause for Thought 10.03 Jimmy Young 75). 12.03 pm Oavid Hamilton IS. 2.03 Ed Stewart's Request Show (5) including Racing form Ascot. 4.03 Mach More Music [5). 5.00 News 5.00 Waggoners' White S.20 Much More Music [5]. SEZ Desk Political Renders by She While. S.20 Much More Music (S) S.55 Perty Political Brondcest by the Consarvative Party. 6.03 John Dunn. (S). 8.02 Listen In the Band (S). 3.45 Alan Dell with Ornce Band Unys. S.15 Among Ynur Squeerim (S). 6.55 Sports Oesk. 10.02 Planch Line. 10.30 Hubert Globa says Thenks for the Mamory. 11.02 Pater Clayton with Round Midnight, including 12.00 News. 2.02-5.00 arm. You and the Night and the Music 15).

Rews S.05 Your Midweek Choice, part 2 75: 900 News, 205 This Week in Composer, Mozert 75: 10.00 Wider argun recital (\$7: 10.40 Britan and Feure song recital (\$1: 10.40 Britan and Feure song recital (\$1: 11.25 Chilgeen Symphony Orchestra concert, part 1 75: 12:10 pm Intervel Rending, 12:15 Concert, 12:10 pm Intervel Rending, 12:15 Concert, 12:10 pm Intervel Rending, 12:15 Concert Holl (\$1: 2.00 Music Weekly (\$1: 2.50 Fifty Yearn al British Music (\$1: 3.35 Havdin (\$1: 4.00 Lvdia Artymiw piana) technic (\$1: 3.45 News, 5.00 Moinly for Respire 15: 45 News, 5.00 Moinly for Respire 15: 45 News, 5.00 Moinly for Respire 15: 7: 58 News, 5.00 Moinly for Respire 15: 7: 58 News, 5.00 Moinly for Respire 15: 50 Continents, 7:45 Interest Octobie-hill, "Sarks" 0.00 Tax Pague Column by Jeroslav Seifert Ireadmin, 3:45 Interest Octobie-hill, "The Beginning of a Romance" (\$1: 10:40 Taxmes Vasary piang recital (\$1: 11.55-12.00 Mews). 11.55-12.00 Yews VHF only-6 00-7.00 am and 6.20-7.20 pm Upon University.

Procramme 1.03 per London Live.

3.03 John Terreod's Showcase. 4.30
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Listen 7.03 Black Landonars. 2.00
Question Time from the House of
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(51. 12.55 Weather: progremme news. 1.00 The World et One 1.35 A Parry Political Broadcast by the Indour Party. 1.40 The Archars: 1.55 Shinging Forestell. 2.00 News. 2.02 Woman's Hour. 3.00 News. 2.02 Listen With Mother. 3.15 Afternoon Theatre (St. 4.00 Chorni Evensong (S). 4.45 Short Story. 5.00 PM: Never magezine. 5.50 Shinging Forecast 5.55 Waether: programme news 6.00 News. 7.05 The Archers. 7.20 Fai Ms non a Bicycle (S) 7.65 Person to Person. 6.45 File on 4. 9.30 Kale-dascone 9.52 Weather. 10.00 The World Torcint. 10.30 Whiteles (S) 11.00 A Book at Berlime 12.15 The Financial World Toroibil. 11.30 Today in Porliment 12.00 News. 5 00 wm As Radio 2, 5.30 Rush Hour, 15.03 The Robbie Vincent Telephone

Lapital Kadio
5.00 am Graham Dens's BreaklastShow (S) 9.00 Machirel Aspel (Si
12.00 Onus Cash (S) 1.00 pm Lendon
Today First Report (S), 1.00 Dens Cesh (continued); 3.00 Roger Sectr
(S) 2.00 London Today (S), 7.30
Adrian Love's Open Line (S), 6.00
Hicky Homa's "Your Mother Wouldn't
Like it (S), 71.00 Tony Myati's Late
Show (S), 2.00 am Buncan Johnson's
Night Flight (S).

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Television

# Forward into the Sixties

by CHRIS DUNKLEY

No sooner do you decide that ultimately decent hero with forever into the eighties, alheit slowly, than programmes that look like leftovers from the sixties start turning up all over the schedules. BBC1's new Sunday evening adventure series Bucconeer, for instance, is full of the sort of material that Hammond Innes and Eric Ambler were producing by the barrowload for the bookstalls 20 years ago. You may remember that they were never much concerned with that Chekhovian business about the ubligation for guns shown in the first act to be used in the third since their guns were put to use

So too with Buccaneer which 'devised" by Eric Paice and N. J. Crisp, two of the most prolific devisers in the industry. The first episode, written by J. B. Flack, opened with machine guns banging away, grenades exploding left, right and centre screen, and Bryan Marsball—whose face is rapidly becoming one of the most overexposed on television-flying an old Britannia out of an embattled African township. (Simple "towns" don't exist in township. sags of this sort).

in Act 1 Scene I.

Later it became clear that for that long. the romantic exploits of steely-eyed but world-weary bappy-golucky pllots who have seen it all are to be studwiched between

sort of clicheburger.

It is as though Gavin Lyall had been called in to re-write The Power Game . . . though come to think of it that might have been a rather better idea. Which is not to say that Bupccaneer is no good, merely that this particular type of English escapist thriller is beginning to look very familiar and somewhat old fashinned, if endearingly so.

Which is also the way that Alan Whicker is beginning to look and sound. Since it seems most unlikely at this stage in their lives that the television reporters of his generation are going to change their ways I. suppose we shall just bave to resign ourselves to hearing them punch out the beadline journalese of the fifties and sixties until the end of their days. If they all go on as lung as Ffye Robertson that is a rather fearsome prospect, and at first it seems unlikely that the world could possibly have a large enough stock of the bizarre, the vulgar and the expensive to supply Whicker with his particular sort of material

But on second thoughts, the wheeling and the dealing of there seems no reason why he coldly calculating businessmen should ever run out; the reporters who make up their who will always greet the moral nouveux riches are always with minds in London and then bunt

Thus At least Whicker often sounds lug extracts from the celebrachanging. television really is beginning to curled lip, mocking sneer, and although every television com- as though his main interest is ted Jhabvala/Ivory/Merchant move its ideas and techniques snapped briefcase latches: a pany in the world must by now in hearing the answers to his films such as Shokespeare Walpany in the world must by now in hearing the answers to his films such as Shakespeare Walhave done its "We ride in the questions, whatever those ans- lah to tell us far more about American patrol car" pro- wers may be. her response to India, it seemed gramme (none so well as The same goes for Trevor to me, than Jhabvala's own

America's own Frederick Wise-Philpott. another of the reportedly favourite work, man in his 1969 Law And Whicker generation, who has Autobiography of a Princess Order) it still makes sense for Whicker to do it again in 1980 The Philpott File, back to our now that the San Francisco screens too with a nine-part Police Department bas seen the series on BP called "Inside a light—ultra violet, no doubt— Multinational." His remark at and started recruiting women the start of the first programme and homosexuals in proportion to their numbers in the population at large.
Moreover, when the SFPD realises that the Ingic of this

policy which demands that "gays" should deal with "gay offenders" is that the police should recruit exclusively from the criminal classes it will be time for yet another pro-gramme. When that time comes it would he pleasing if Whicker could cut out some of those wondrously contrived passages of connecting commentary which are known in the husi-ness as "links"—as when be moved last week from the subject of films to tattoning: "If you can't get into pictures you can always get pictures into you "-or at least load his links with a little less of the luscinus

alliteration. Yet despite all whicker's endremembering all bis past pro-grammes and thinking over the would still prefer a programme first three parts of his new one, from him to a programe from many of the new generation of scruples dredged up by the us and habits and morals are the world for facts to fit them.

her response to India, it seemed

hrought his alliterative title, - "I don't think that anyone would argue that this is the most important boardroom io Britain" - was presumably the opposite of what he meant, hut much of what followed was fascinating, especially the archive footage of BP's early

rather than dated, though habits such as perching in front of some symbolic inanimate object (BP's boardroom table here) and delivering script straight to camera have gone in and out of style several times since Philpott started. There is a vague memory within his programmes of the old Tonight where be and Whicker worked together, but again that seems préferable to some of today's series, though not all.
The first of The Levin Inter-

views on BBC2 suggested another outcrop of sixtles or even fifties style television journalism consisting as it did an un-embellished studio discussion between Levin and one man, the Russian dissident Vladimir Bukovsky. There is not necessarily anything wrong with the form of course; talking heads against a black background can make truly engrossing television if the beads this occasion the interviewee ohviously.
bad some pretty startling claims And for the new series of to make about Russia, for sheepdog trials in One Mon example that most Russians And His Dog the organisers understand quite well what an have selected a practically appalling system they live by hut are atterly cynical about it. The occasion was particularly cognitive, however, and would have been improved if Levin had used Bokovsky's personal experiences, reactions, and especially his feelings much more as a way into the subject instead of sticking so much to the intellectual approach which - paradoxical though it may sound-forced him to proceed at a rather elementary level.

Tristram Powell's programme about Ruth Jhabvala on the same channel the next night, An Experience of India, did virtually the opposite: explored the experience of this sad looking lady in terms of her emotional reactions to the countries she has livel in, as a refugee Polish Jew in Britain, as an immigrant in India, and a visitor in America. Powell used very tell-

work had a surprisingly crude and even unconvincing construc-With Michael Whyte's commentary-free study of virtuoso halancing tricks in China: Acrobots, the content of which enthralled even though the camerawork sometimes infuriated when its closeups excluded vital context, it has been a weak remarkably rich in foreign exploration in Iran.
It could be argued that
Philpott's formula is timeless material. Yet I must admit that in sional duties it was, as usual, a clutch of peculiarly British programmes all on BBC-2, which provided the greatest pleasure. In the excellently in-formative little series Bird Spot cameraman Owen Newman managed to show in 10 minutes the

Salisbury Cathedral, from both ioside and outside. BBC2 is also delivering once again from The Crucible in Sheffield addict sized doses of a drug which has the same attractions of length and com-plexity as Test matches and Wimbledon: Snooker in the World Professional Championship of course. This year Higgins has sometimes waited until the cue ball stopped rolling before lining up his contain the right things, and on next shot; incipient senility

hatching and rearing of four kestrel chicks in a nest which be

filmed, almost incredibly since

it was half way up the spire of

bad managed on BBC-2 on the previous night Compared to

Georgie and Bonnie this new

vertical stretch of rocky Lake-land hillside of such a shape viewer to be out of the dog's sight at the start of the trial Short of blindfolding the dogs and gagging the sbepherds it is hard to see how they can make it any more difficult. Tomorow night sees the event's first woman entrant.

Could it he part of their attraction that Bird Spot, Snooker and One Man And His Dog did not, and arguably could hot, exist in the sixties? Theatre Royal, Stratford

# Riff Raff Rules

by B. A. YOUNG



Francis Barber, Shelagh Stephenson, Robert Morgan and Kate Lock

Maybew, shoots upwards into for the daring use of a stage-

notions on how to annoy their neighbours.

The attractive set, designed by Sarah Paulley and Dougie

piece group for Phil Berg's vapid music. Adrian Shergold's direction is really confined to getting people on and off, except what looks like an aeroplane's hand to provide a mike when tail fin to conceal a lond five-somebody wants to sing.

### Arts news in brief

Scottish National Orchestra, which recently announced a £250,000 contribution, spread nver several years, from Gulk Oil, has gained mother major industrial spon-General Accident is sirship. General Accident is investing almost £100,000 in supporting the SNO in a national tour. This will be General Accident's first im-portant arts sponsorship.

I see what it is: Mr. Foxall

is giving us on object lesson in

what happens if you hang ahout

the streets. But his characters

are so thin, there is so little development of character, that

no object lesson emerges. Instead we have the kind of demonstration of how to outrage

mortality that we had in Scum

and Quadrophenia, and no doubt

preview 1 attended on Monday

will have picked up some useful

young audience at the

been stolen.

The company is based in Perth but does business througont the country. The aim of the SNO tour is to perform in 15

major GA centres, some of an English gentleman by the which have never been visited 18th century Italian artist by the orchestra before, in Pompeo Batoni. Painted in by the orchestra before, including Belfast. A feature of the sponsorship is that a recording of Mahler's Fourth Symphony will be made for distribution during the tour and bution during the tour and bution during the tour and speed of Thomas Agnew and Sons Ltd acting on the Gallery's bution. there will be a musical com- Sons Ltd acting on the Gallery's petition for children in the behalf at Christie's. The picture was sold by the Trustees of the

late Earl Sondes. Gentleman. Portrait of a probably painted during the 1760s, can be seen in Room 38 The National Gallery has bought at auction a portrait of from Wednesday, April 30.

Bryan Marshall and Pamela Salem in 'Buccaneer

Teatro dell 'Opera, Rome

. 7

# Marilyn by WILLIAM WEAVER

In the old days, a decade or virtually unheard of. in the Rome Opmore ago, when the Italian economic boom was still on and the Italian operatic boom went the Teatro dell'Opera here was regularly presented new works occasionally ventured some-thing youthful, and thus we heard early works by Nono and Berio andothers who, since then. have not become quite so More recently, bow-Now at most, there might be the world premiere ofa one-act piece at the Piccola Scala or at a festival; hut a critical attention and staging of a new, full-length support from older musicians, opera by a young composer is who may bave heen influential

of Lorenzo Ferrero's Marilyn at

with it opera houses in Italy an unusual and heartening event. Twenty-eight years old, contemporary composers. Ferrero studied first in his While they stressed the older, native Turin, then in France and safer generation—names like Germany. His first theatre Pizzetti and Malipiero—they also piece was a ballet, performed two years ago at the Maggio musicale, followed: hy the "near-opera" Rimbaud, heard first at Avignon, then at Lille, and then here, under the auspices of the Accademia ever, the theatres bave had to Filarmonica, an enterprising Roman concert series. these; and also some instrumental works, Ferrero attracted

It was a sound decision. has some flaws (not least the pretentious, ambiguous libretto, hy the comopser and Floriana Bossi) (, it also has many virtues and indicates a genuine feeling for the theatre in its anthor. The Roman bonse, once the decision was made, obviously did not skimp on carrying it nut. First of all, one must praise

the choice of Uberto Bertacca to

design the piece. Though Bertacca has been active for some time, this year there was a kind of explosion of bis work (be was responsible for impressive works at the Piccolo Ellseo and the Aregntina, praised in ting spaces s well as devising the divided the Roman process. opening in two, horizontally. In the lower part, there was an effectively oppressive apart-ment, all in mirrors and plexiglass, for Marilyn. There the opera'a private events took place. Above, a larger space could be totaly hlack, then open like the shutter of a lens to form a rectangular screen behind which—as if in a newsreel-we saw the public events: parades, speeches, a jazz-andpoetry session, and a rather miscalculated meeting of the House Gommittee on un-American

however, is not inteoded as sententious tones quite inbiography; its subtitle is "scenes from the 'fifties," and the obvious reference is to Scènes de la vie de Bohème. But instead of Luigi Filippo and Guizot, here we have General McArthur, the Korean War, Allen Ginsberg (along with Primo poeta beat, secondo, terzo and quarto), Timothy Leary, and Wilhelm Reich. In the private drama there is ĪS Robert Kennedy, who apparently held responsible for Marilyn's death, and there is also Yves Montand, who puts

words wrong. Much of th etext is in English viction. Ferrero's opera may consisting largely of quota- not be a total achievement, but tions, and was almost totally it still can command only incomprehensible (except for respect.

emphatic and involuntarily funny "Goodbye"). As a instance, came across as human and sympathetic, perbaps because of Mario Basiola's convinced interpretation; whereas Reich, clearly intended to be an heroic figure, seemed longwinded and whining, especially in his long-distance duet with Marilyn at the protracted finale

Loodon SWIY 4LO.

Notes April 1880.

Notes holder of the ordinary or acmulating ordinary shares or at the formulating ordinary shares or at the formulating ordinary shares or at the first of the complete preference shares are entitled to attend and vote at the meeting.

2 A proxy may not speak at the meeting except with the permission of the meeting.

3 A holder of a share warrant to bearer, who testes either to attend the meeting or to apoplint one or more promiss to attend and, on a poil, order instead all him, will receive a ticket of admission on depositing at the Company's transfer ordice at 1 Redulif Street, Eristol 857 6MT, at least 48 hours before the meeting, a written request for the issue of the ticket (and, if desired, a form of proxy) together with either the share warrant or a certificate algred by a hank, stockbroker or solicitor within the United Kingdom. The Channel islands or the Isle of Man stating that the share warrant b in the crystody off such bank, stockbroker or solicitor and will be retained in such custody until after the close of the meeting. If the form of proxy b to be used, it must, be form of proxy b to be used, it must, be completed and returned to the transfer office so at to be received at least 48 hours before the meeting.

4 There are no tontracts of cervice where under directors of the Company are employed by the employing company without payment of compensation, within one year. appropriate to the heat poets.

the singing voice, which he never failed to support with a delicate, interesting accompaniment. The orchestra was large, but exploited with imagination and subtlety, also in the solely instrumental passages like the introduction to the second act. Gianluigi Gelmetti, a specialist in contemporary music, conducted the orchestra firmly, persuasively. When I saw it the house was not entirely full. in a very pallid appearance to but the audience, for the most sing a Cole Porter number with part, reacted favourably. There part, reacted favourably. There were a few whistles and jeers at the end, but they lacked con-

**COMPANY NOTICES** COMPAGNIE FINANCIERE DE SUEZ

THE RIO TINTO-ZINC CORPORATION

LIMITED

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the
elentrenth annual general meeting of
the Rio Tinto-Zinc Copporation Limited
tril be hell at the Lonmonwealth Hall.
The Royal Commonwealth Society, 16-20,
The Royal Commonwealth Cockety, 16-20,
The Royal Commonwealth Cockety, 16-20,
The Royal Commonwealth Society, 16-20,
The Royal Commonwealth Hall,
The Royal Commonwea GENERAL MESTING OF SHAREHOLDERS
JUNE 2, 1980

NOTICE IS HEREN GIVEN that the
Annual General Meeting of shareholders
of Compagnie Financhère de Suez will be
heid at the Grand Auditorium of the
Palaior des Coogres, Censue International
de Paris, 2, place de la Porte Maillot,
75017 Paris, on Monday, Jene 2, 1980
at 3 s.m. The abenda will be as follows:
—Report of the Directors;
—Reports of she Auditors;
—Approval of Ermasctions and Accounts
for the Financial year 1979 and the
Edinice theet as 4 December 31, 1979;
dividend;
dividend;
—Retification of the transfer to the
special reserve of long-term capital CENERAL MEETING OF SHAREHOLDERS on of the transfer to the reserve of long-term capital an amount of Frs. 733/278

ratue of the part in the part of the party at present in the party at present in the party at present in the party at party at the party at the party and party at the party a \*22.000 and by substituting therefor \*25.000."

A member satisfied to attend and vote at the meeting is entitled to appoint one or more proxits to attend and, on a soil, vote instead of him. A pracy need not be a member of the Company. The latterment appointing a proxy. together with any bower of attorney under which it is signed, should reach either of the transtry offices of the Company, need less than 45 hours before the time appointed for obtaining the meeting.

O. A. Office of the Board.

O. A. STEANTELLD, Secretary.

G. St. James 3 Sequence.

29 April 1880.

Note:

CANADIAN MORTH ATLANTIC
WESTBOUND FREIGHT CONFERENCY
CANADA-UNITED KINGDOM FREIGHT
NOTICE TO SHIPPERS AND IMPORTERS
The member lines of the above conferences necrating services between United Kingdom, Northern Ireland and the Republic of Ireland and Canadian Maritime, St. Lawrence aliver and Great Lakeports have combined to monitor bunker costs has a monthly basis and the results of this mealforlap ahous that the position as at 15th April 1stifies a reduction is the present level of bunker surcharge. At the same time the calculations show that a surplus has accumulated in the lines' recoveries and in accordance with sureed conference procedure the bunker surcharge has been further reduced by the equivalent of \$2.00 per ton to offset this surplus. Immediately this surplus has been eliminated the \$2.00 will be restored to the applicable figures.

Accordingly with affect from 15th May 1980 the bunker surcharge applicable will be reduced to the following figures:

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\$2.18 per too messurement (co - \$52.00 per 40 ft. container.

MAXIMUM—

897.00 per container.

The bubiker surcharge will continue to be exempt from the conference currency adjustment factor and will not apply to Toromor/lamitos additionals.

Any future chases to the booker authors container assenting from the manthly monitoring will be announced as and when warranted.

Ing 8911 Be annual and a secretaria.

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in the Rome Opera's decision to General McArthur's cooclusive, While Ferrero's ambitious opera result, there were some

> of the first of the opera's two acts. But at the base of these miscalculations there was a deeper ambiguity: it was, one gathers, the authors' purpose to show how Marilyn was made into an impossible symbol and then crushed by a heartless

Emilia Ravaglia, the soprano who played the title role, did ber best. She bas a bigh, icy voice (one of her parts is the Woodbird in Siegfried), and she was very moving in a brief opening aria, "I have red," and in a Sinuous vocalise in the second act. She was meant to symbolise Marilya (and she did), not impersonate her. The immense cast also included a rock singer, who played Ginsberg, and a large number of actors spoke their lines in the poetry reading, a long prosy scene which slowed down the Ferrero's Marilyn is, of opera, not least because the course, Monroe. The opera, actor's spoke their lines in

Ferrero, despite this opera's

THE CREDIT ASSOCIATION OF PROPRIETORS OF SMALL LANDED ESTATES IN JUTLAND 4% AND #2% BONDS false steps, clearly understands

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PUBLIC NOTICES

HERTFORDSHIPE COUNTY COUNCIL Som St-day Bits tested 2.4.50 dos 2.7.20 at 1646. Applications totaling Stem. Total octamping Som. Wednesday April 30 1980

# Discord in Luxembourg

### Afghanistan ---

This week in Luxembourg the Nine were agaio under pressure to close ranks at a time of growing world tension. Even as Mrs. exchange for British acceptance of an average of five per cent to reduce Britain's finaocial contribution to Brussels, ber Defence Secretary Mr. Francis settlement of the British Pym. was telling the Commons that the only way the Free that the only way the Free to ha part of it. But the UK is doing a service not only to through "cohesion and co-opera-tion." Such cohesion, appeared. at least, to have been achieved in Lpxembourg with clear statements of support for the U.S. by the Nine Heads of Government on Iran and Afghanistan. But on the higgest single internal issue dividing them, the hud-getary cost of British Community membership, they once again failed to agree. earlier impression of unity on international affairs was dis-pelled, and the talks ended in frestration and disillusionment, The disappointment is all the

greater in that, in Luxemhourg the first time got down to a serious negotiation on Britain's financial problems and came close to success. In the light of the dangerous new turn in world events, there was a determination to try to solve the problem that was not there at the Community's last summit meeting in Dublin last November. The offer to Mrs. Thatcher -a reduction of £775m in the estimated net £1.1bn British contribution this year—was far better than expected. The gap hetween that final offer and Thatcher's demand. Mrs. Thatcher's demand. amounting to a reduction of £920m, was small. There is a strong case for arguing that can parrow the gap between Mrs. Thatcher should have the UK and its partners. The taken the money, for this year at least, and continued to fight the process at Ministerial level for further, similar reductions so as to close it. The problem in the years ahead in the subse- bas dogged the Community for leot review of the UK contri-Governments off the hook and

NOT SO very long ago advocates months ahead. But there would of greater European unity half-have been two major difficulties hopeu that the LEC would be in such a course of action. In faced by a grave threat from the first place, the offer was beyond its borders. The theory only for one or two years at was that such a challenge would most, whereas the UK has spur the disparate nations of rightly insisted that a solution Western Europe into greater must be agreed for as long as integration for their own protec-tion, on the "divided we fall" could he for five years at least. principle. So far, however, the It is in neither Britain's nor Community bas almost invari-ably failed to rise to such an there should be an unseemly squabble at the end of each year over the level of Britain's contribution for the next 12

farm prices will inevitably a result of the farm price increase, there will be less money to reduce Britain's contribution next year.

Trump card

Equaliy, Mrs. Thatcher still has a trump card in ber hand. She can cootinue to veto the farm price Increase, making it virtually impossible for a 1980 Community bndget to be established. Then the money Neither President Valery Giscard d'Estaing nor Chancellor Helmut Schmidt would relish such a prospect ao soon before they have to face re-election. But a continuing Community crisis is not in Britain's interest elther. The Luxembourg meeting has sbown that a classic Community negotiating session far too long. It is bigh time the bution that was also promised. Community showed it can rise That would have got all Nine above its internal differences at a time of world crisis and conaverted a potentially serious front the wider threats that are EEC crisis in the weeks and facing the West.

# Industry in the front line

gloom presented yesterday in the Confederation of British Industry's quarterly survey must be distressing for the Government. hut it should come as no surprise. Demand. Investment and employment are all falling, stocks and financial deficits are rising, while there is still no started to decline. Many of these adverse trends were pre-dictable short-term consequences of the Government. unwavering monetary policy. which the CBI and most industrialists claim whole-heartedly to support. Nevertheless, there are signs that industrialists confronting the consequences of public sector cannot be effected these developments in their own these developments in their own businesses are becoming impatient and even disiliusioned

### Pessimism

However much they may sympathise with the Government's overall strategy, it is present state of the ecoogmy, that industrialists are answering ment may have miscalculated the CBI's questions about the fiscal and monetary balance. general confidence in far But after the last Budget's gloomier tones today than in still in power. Exactly a year ago, just hefore the General Election, optimists outnumbered pessimists in the CBI survey hy 6 per cent. Today the halance of opinion has swung towards pessimism. hy a margin of no less than 41 per cent.

Beneath industialists' generally laudatory statements about Government policy, undertones of criticism have been growing. The worry emerging most clearly is about the level of interest rates. While CBI leaders agree that the level of interest rates, should be dictated primarily by monetary developments, they expressed disappointment with other aspects of government policy which may have a bearing on interest levels. In particular. they were concerned that more had not been done to reduce government spending and the public sector borrowing require-

fustified. The public spending in Britain is impatiently await-daicsions already taken and the ing.

THE PICTURE of unremitting plans unveiled in the recent gloom presented yesterday in Budget are among the weakest But the main trouble with the Government's spending plans lies not with their scale, but with thei rquality. Instead of eliminating geunlaely unneces-sary or inefficient spending, the demands and by nationalised charges, this shift in financing is unlikely to benefit industry. But further genuine spending cuts and productilyty gains in the year's PSBR or the immediate prospects for interest rates.

> If interest rates bave risen to almost intolerable levels and if tehy have to remain pathfully bigh ovar the coming months. the fault lies not just with the Government's spending plans, but also to some extent with industrialists' own behaviour. In its first Budget the Governfairly tough fiscal decisions, the level of public borrowing would now be compatible with a fall in interest rates, provided only that industry could control its demand for credit. The cor-norate sector's deficit is hound to rise this year. But it is within industry's powar to contain this increase to a reasonable level. The key to the corporate sector's finaocial deficit is the same as the key to the prospects for inflation and for interest rates: it is the level of pay settle-

### Pressures

Until industrialists succeed in persuading their employees to accept realistic pay increases which take account of the Government's monetary targets, it will be impossible for them to relieve the financial pressures which their firms are now suffering. Only by learning to live within their means on pay can aisles. industrialists assure themselves of the soundly based decline in This criticism is only partly interest rates which everybody

The second objection is that the deal was only available in of an average of five per cent after one of the most extra-increase in EEC farm prices ordinary summits in the this year. If there is to be a history of the Community The

hudgetary problem in the weeks is doing a service not only to itself but to the Community as a whole in resisting it, Higher hring the day nearer when Community funds run out and the Nine are forced to reform Comon Agricultural Poilcy. But it will he easier to do so on the basis of lower common prices than higher ones. There is, of course, also a direct link with the UK's problems. If there is only a one-year solution, and the funds run out as

Differences on matters of substance were the principal reason for failure, but the final nquests on Lamembourg will certainly conclude that tete a tete negotiations from which officials are excluded are not the best way of trying to sew up a package deal embracing

angry and in some cases

history of the Community. The

Disappointed she may be,

because there were occasions

during the lengthy negotiations

in Luxembourg on Monday afterooon and evening when

she seemed close to grasping

the ultimate prize of a very substantial reduction in the

UK's net payments to Brussela.

In the event, she and her

fellow Heads of Government nearly collapsed under the weight of the unprecedentedly

difficult task they had set them-

Mrs. Thatcher digs in her heels not only the British hudget group of sheep farmers who with international problem, but also community want an advantageous settle. There is plenty of farm price increases, the Angloment of the Anglo-French to suggest that the ernment were undoubtedly French lamh row and also general declarations on fisheries depressed politicians vesterday and energy policies.

But the final stalemate is not an ontcome likely to cause exception was undoubtedly Mrs. Margaret Thatcher, Britain's Prime Minister. Mrs. Thatcher to lose more sleen than she did at Luxem-bourg under the onerous demands of summit negotiations. For she is now in a powarfully strong negotiating position and none of the assertions that if she had handled things differently at the summit, then she might have achieved ultimate success. changes that fact. In the first place ahe has an offer-£775m off the UK's anticipated 1980 payments of £1.1bn - upon which she can huild.

> Secondly, especially France countries are anxious for agreement on a farm price package which will be withheld until the British problem is resolved. Third. President Giscard, who is seeking re-election next year. ls also under pressure from a how effective the Heads of The offer was ingeniously small but politically important Government had been in dealing designed to attract Mrs.

sheepmeat row. This will be withheld until the budget problem is resolved. Fourth, the EEC is still operating without a 1980 budget and this is bound to cause problems for all memher states, hut less so for the UK, because funding the Common Agricultural Policy will hecome increasingly difficult.

There will be no successful moves to provide the Com-munity with a 1980 budget without a solution to the British payments problem hecause Mrs. Thatcher will block them.

Fifth, and or great importance to Chancellor Schmidt, the external international situation is becoming increasingly dire and it is a source of concern and emharrassment to most but most of the other EEC Reads of Government that internal rows abould give an appearance of such disarray. Less so, one suspects, to Mrs. Thatcher, who went to great lengths at ber Press conference on Monday evening to stress

There is plenty of evidence to suggest that the desire to recreate a measure of internal harmony within the Community was an important help to Mrs. Thatcher during those extraordinary hours in Luxembourg. In comparison with Duhlin, a miraculous transformation has taken place in the desire of other governments to find a solution. As a result there were

settlements. Underlining the progress since Dublin, was the fact that it was President Giscard d'Estaing of France-hitherto the most intransigent-who first set out his stall for a summit which later seemed to echo with the cries of prime ministers marketing their proposals. Through Sig. Francesco Cossiga, the Italian President and chairman of the summit, be sent to Mrs. Thatcher last Friday a suggestion that Britain's net contributions to

three years.

the budget should be pegged

at the 1979 level for at least

net payments would free tha UK of the excessive budgetary consequences of an over-generous farm price settlement, to which the UK would have to contribute 17 per cent of the cost while receiving only 6 per cent in new receipts. The problem with the French

offer was that it implied a £550m ceiling, and at that stage Mrs. Thatcher wanted more (her opening bid was more than £900m) and for longer than almost too many proposals for three years.

While tha Heads of Government ware discussing evarything from the world economy to Iran and Afghanistan on Sunday afternoon and evening, a re-worked proposal surfaced for hilateral discussions, at the summit on Monday, based on a 1978-79 average. It amounted to a £325m ceiling. This was cercellor Schmidt and President Giscard and several others wanted to go, so the time period was limited to 1980 with the promise of a review and possible forther solution in future

Mrs. Thatcher began to signal that the money might be acceptable but not the limited: would within months plunge the Community back into the same row, she suggested.

Unspoken was tha fear that the farm price settlement desired by the other eight plus predictable revenues to a 1 per was not again discussed. Chancellor Schmidt and President Share of member states Chancellor Schmidt and President Chancellor Schmidt as community bankruptey would not discus the UK's aproached, then its differing national interests would be brought into even sharper means that the issue must be conflict with those of the settled at a lower level in the money-hungry farm policy so. beneficial to other states. During Monday afternoon, the British Prime Minister talked of compromising on three years Instead of the six originally demanded by the British. At this stage. Chancellor prices and other agreements. Schmidt and President Giscard Luxembourg suggests that whenbegan to focus on a revised

By mid afternoon on Monday. tired and increasingly bungry may store up future problems Heads of Government—they bad for Mrs. Thatcher. not yet broken for lunch-separated for thought and con-

THE TUG OF WAR FOR 1980

M.KAHIL 80

suitations. By this itme, Mrs. Thatcher had received what proved to be the final offer sup-ported by France and West Germay with varying degrees of commitment by the ohers. This retianed the £325m cailing for 1980 but suggested that it should be lifted to £490m in 1981. It was in effect a two-year deal with an unspecified promise of review. Mrs. Thatcher objected to the 1981 figure, saying that she would not go higher than around £395m which would raise the UK contribution broadly in line with the overall anticipated increase in community expendinger. She also stuck by her three year minimum.

When the meeting resumed early in the evening. Sig. Cossign switched the discussion to the other topics in the package.

age and Mrs. Thatcher's tone did not help her cause. She found much to abject to in the form price package and draft proposals on a sheepmeat deal and would not give a commitment on "equal access" to UK fishing grounds as part of a declaration on fisheries policy As 10 p.m. approached. Sig. Cossigs obviously decided that the cost of a UK budget deal As 10 p.m. approached. Sig would be bound to bring the Cossiga obviously decided that Community up to its own question and the budget problem resources celling inmitting its was not again discussed.

was not again discussed. Chancellor Schmidt and Presinormal Council of Ministers machinery, presumably in parallel with renewed farm prices negotiations. Failing that Mrs. Thatcher must force it on to the Venice agenda by virtue of her power to block farm Luxembourg suggests that when-ever, the deal is done, it will be done with bad grace on the part of some governments which

John Wyles

### THE FARM-PRICE CRUNCH UNTIL THE EEC hudget issuetheir own Interests. This inonly be added to, never cut back. And Britain does not appear likely to be shielded from the budgetry con-

is resolved, there can be little volved a Franco-German agree ECU (\$2.27bo) to the hudget, point in farm Ministers conmect concluded in Paris last faces an election this year and tinuing with this year's farm Friday to press for 5 per cect appears also to bave doubts tinuing with this year's farm price review. Britain shows no sign of dropping demands for a freeze on some major surplus products without a better budget offer, and France and Germany are plainly intent on a 5 per. cent price risa.

This deadlock comes as a somewhat shamefacedly weighing its chancea of recovering Britain insisted on a least three lost ground hy withdrawing its These would have lifted the average price rise from the previous 2.4 per cent to 5 per cent, while crippling proposals to curb the runaway dairy

on farm prices; and a proposal tailored to sait the British put forward by the French to limit the UK net budget contribution, but apparently necessary rather than giving any bnd-support of farmers for his Free getary rebate, to a specific Democrat coalidon partners, figure.

Mrs. Thatcher bas gambled

This deadlock comes as a to bear most of the cost of want the price rises so badly the end of next year. The 13 collapsed totally under Francobroke down when German pressure. It is now broke down when German reluctantly, improve their offer. meeting later today, will be somewhat shamefacedly weigh. years' grace and a hit more But the French and Germaos

seem to want their price rises badly: President . . Giscard d'Estaing went so far as to propose a farm-price deal on the basis of an 8-1 majority Britain currently appears to hand. Its prohably veto this under the upper hand. Its prohably veto this under the proportion of the EEC budget for the moment, foiled an mise. And Chancellor Helmut root of Britain's hudget ingenious French attempt to Schmidt, while reported to bave problem. play off the British against the private doubts about the Finally, price rises are Germans while safeguarding wisdom of a price rise which horribly permanent; they can

about the wisdom of expressiog his budgetry fears publicly, lest this weaken the marginal

This would leave the Germans that the Erench and Germans more than a year or two and for such a budget settlement is Roy Jenkins, to keep the option still high in relation to the short term financial, and political benefits. Although the price rises

would not under the French proposal, immediately affect Britain's hudget contributions, they would add an estimated £300m to the national food bill.

promise proposals which were approved by all farm ministers except Britain's Mr. Peter Walker, would almost certainly bankrupt the community before the end of next year. The 13 Commissioners, at their weekly open for a tighter prices policy and to reaffirm the withdrawal of the 5 per cent offer put forward by the Farm Commis-sioner, Mr. Finn Olay Gundelach. But most of the Commis-

sequences of this year's price

settlement for more than three

years. The Commission's com-

sioners may prefer to leave things as they are, and to wait for the hudget to run out before tackling the Common Agricultural Policy. By that time, the Nine governments may have ing more into the hudget.

Marraret van Hattem

took it only on condition that he should vacate his seat on the

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Berkshire businessman Gordon

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# MEN AND MATTERS

### Mouse takes oll bait

I hear there was some gleeful ruhhing of ands in Stornoway Way House yesterday as the news broke that Sir Donaid Maitiand was to move from his number two spot at the Foreign Office to he the Government's Mr. Energy." Taking over from Slr Jack Rampton as permanent under-secretary of State at the Department of Energy. Sir Donald is viewed hy senior men at BNOC as the ideal man to help maintain the oli industry as a state-managed operation: both for straightforward security reasons and hecause of OPEC's preference for dealing government-togovernment.

He has, however, a reputation for heing a studionsly apolitical executive animal. And although sorely tried during his spell as UK amhassador to the Common Markat, when the Labour Government falled to feed him a clear policy line, in public at least he stuck fast to his executive principles regardless of the pressure on his political instincts.

Affectionately known as "The Mouse" in the Foreign Office. Sir Donald has In the past suffered from an ill-founded reputation for waspishness and plain bad temper. He is, no doubt, a stickler for detail. Taking great pride in mastering the complexities of his briefs. he has been known to be hard with desk officers lacking his sbarper insight.

But those who worked under bim in Brussels and during his stint as ambassador to the UN say he quickly won the genuine loyalto of bis underlings. Among hia most endearing qualities are his aharp wit and startling abilities as a mimic. His version of Lord Scames. I am told, knocks them in the

And then there is the widelycirculated tale of his visit with a protest to the Icelandic ambassador during the so-called Cod. War. "This is supposed to



"What with the Day of Action, two Bank Holidays and the Liverpool-Arsenal replays, I can't see us in full production until June"

he a protest delivered at the highest level," the diminutive Sir Donald reportedly announced, "so I suppose I had better stand on your desk."

### Spicing the AGM

Some companies would have misgivings about the prospect of a mass attendance of shareholders at the annual general meeting. But, fiving up to the boisterous spirit of its "light my fire" mustard advertise mants, Reckitt and Colman is waving a bright yellow come-on signal to its shareholders in the form of a 30 per cent discount on rail travel to the May 22 Back with Reckitt and Colman.

Currently in the grip of promotion fever. BR is happily CBI's Ecocomic Situation footing the bill, even for the Committee. I am at a loss to postage. Reckitt merely had to know why this enormously likeprint a few thousand yellow able man should risk endangerimproving over the last two or the heair of the confederation's three years." aays company secretary David Clifford. "It will I can only report that he took education."
be interesting to see what effect a long time to make up his the concessions have. We do not mind. Twice he refused the job. e-spect anyone to come from he tells me, hecause he had 100

the far north of Scotland, but many other commitments, and for some it may just tip the balance between coming and not coming. Sharebolders can CBI's London regional council. comhina the trip with shopping or going to the theatre."

Surprisingly, Reckitt appears

Double trouble

to be the first company to take advantage of BR's block dis- There were two most unpleasant count arrangements, although these are often exploited by conforence organisers: Says Clifford: "Having a good Clifford when he arrived home attendance of shareholders late on Monday night. The first

makes the whole thing come Over at the British Railways

everyone seems very
with the boost to rail
given by its concesy schemes. A current
t involving Unilever pro-Board, everyone seems very travel given by its concessionary schemes. A current project involving Unilever products (a voucher permits two people to travel for the price of one) has been particularly fruitful; so far 2m vouchers have been issued. Petrol prices. too, have done their bit to get people back on the rails. Last year as many passenger miles - 19.9bo - were travelled as in 1961, when the network had not yet benefited from Beechiog and was 30 per cent larger.

All the same, there are many in the upper ecbelons of BR who cast envious guanes at Swedeo, where a simple 50 per cent cut in rail fares yast year obviated at a stroke the need for complicated forms on hreakfast cereal packets, or special concessions to pensioners travelling an alternate Wednesdays (except Easter and June to August1.

### Hot seat

I see chalrman James Cleminson is to take charge of the "Attendance bas been ing his sunny reputation from

Trying to secure an interview yesterday with Ian MacGregor. the man strongly tipped to be the next bead of British Steel who flew into London yesterday,

Brief celebrity

I rang most of the likely botels. Eventually, at the Grosvenor House, I was put through to a hemused. Scot, one Ewan MacGregor. "Iv'e just got down from Inverness," he told me wearily, "and the phone's not stopped ringing all afternoon. Why don't you lot just leave me alone?"

### Cost of loving

Overbeard: "Is your daughter still going out with that chap from the bank?" No, she thought she could learn to love him but he did. not spend enough on her

Observer

# Switzerland

girani galariye. Marana	
BASIC ST	FATISTICS
Area	15,418 sq m
Population .	6.34m in 1978
GNP	SwFr 157bn
Per capita	SwFr 24,763 in
Per capita SwF	r 24.763 in 1978

Trade (1978)
Exports SwFr 41.8bn
Imports SwFr 42.3bn
UK trade (1979)
Imported from UK 2.4bn
Exported to JIK 52.5bn



The Queen , begins a State visit to Switzerland. Her host will be the Federal Council, the seven men who jointly head the Swiss confederation and act as its Government. For this year the Defence Minister, M. Georges-Andre Chevallaz (left), is President of the Council.

The Swiss have been fiercely republican ever since the hattle of Morgarten in 1315 gained them de facto independence from the Hapsburg emperors, but are quite happy to be royalist on hehalf of others: competition has been fierce among local communities to get a glimpse of the Queen. It will be a meeting of sovereigns of very different kinds: a Queen, who no longer wields the

political powers of her ancestors; and a people which under the Swiss constitution is its own sovereign—and often applies the power implied to make or break legislation through referendums. Though this will be the first State visit

Though this will be the first State visit paid to the Swiss by a British monarch, British royalty has often been to the Alpine Republic. Queen Victoria's private visit in 1868 helped to make Switzerland fashionable with the British Painters and mountaineers from Britain were the discoverers of Switzerland as a tourist paradise. To this day every resort has its "tea rooms" to pander to English habits, and English has become almost an unofficial fifth language.



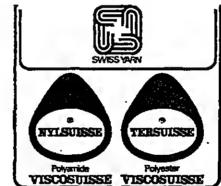
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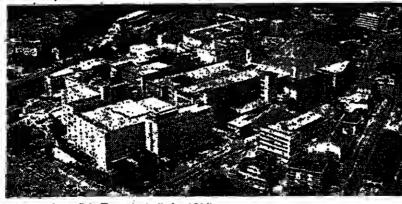


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. Data Bas

# Innovation and productivity keep Swiss at the top

THE STATISHES may be industry (in its own c urrency) Bank; part to other corrective viously erected against the other three big parties, the across most of Swiss society.

simple, but they are revealing; of the raw materials, including factors. But the price paid was inflow of foreign money. All Radicals, the Christian Demo-The machinery to achieve tonne of Swiss exports on energy which must be an inflation rate of 5 per cent that remains is a ban on the crats, and the Swiss People's is an intricate one. It ranges average has a value eight times imported; and thereby making (aggravated admittedly by payment to non-residents of Party. Similar noises have been from the delicate work of unas high as I toune of imports. it possible to contain the sports are equivalent to about demands of labour. Wage per cent of GNP, with increases have usually only ary accounting for almost barely kept ahead of the manetary a third and chemicals for a fifth of exports. Expenditure on research and development equals about 22 per cent of GNP, on a par with the level in the U.S.—but in the case of Switzerland less than a quarter another are the rule. of the amount is paid for from the public purse.

Switzerland is developed industrial country. Contrary to popular belief, only 6 per cent of the population demand consequent upon the works in agriculture. It is recession caused the franc to extremely successful in export rise so high in 1978 that the markets, though its dependence upon imports is also great; and it is a baven of the market economy and of technological Official policy quite un interests of Swiss exporters and ashamedly welcomes the goad of the tourist trade were given

which the market supplies to keep it advancing into ever greater added value. Only higher productivity and new products allow the Swiss to maintain their position at the top of the world table for GNP

consumer price index, but policy is fairly restrictive, and that has been sufficient to allow the hope is that the inflation the Swiss unions to maintain rate will be halved by next their traditional moderate year. posture: no-strike, no-lockout agreements in one form or

It has also meant a readiness to accept recession: the 8 per cent loss of GNP in 1975 has. only been half compensated for so far. The loss of import Swiss National Bank abondoned its monetary targets in favour of a policy designed to bring down the exchange rate. In priority over the internal purchasing power of the franc.

Mark, which is crucial to the Swiss because of their close per bead.

The watchword bas been to keep down inflation, thereby holding down the costs of Swiss

90 Swiss centimes from below
S0 centimes. Part of the credit shift of priorities, the National belongs to intervention in the Bank has dismantled almost markets by the Swiss National completely the barriers pre-

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has once again switched to months. management; the.

For the moment the economy is doing well, though a mild spreading outward from the U.S., is widely forecast for late this year or early next. If it comes, the goad of the market economy will have to do its work even more efficiently than in the past, because the recession of 1975 has deprived Swiss industry of some reserves.

Some financial fat has been drawn upon, and it will not be possible to repeat the drastic reduction of the labour force achieved partly by the with-drawal of some 100,000 Swiss (many of them part-timers). and the running down of the number of migrant labourers. A year later the trick had Their number is down from a been turned. The Deutsche record 1.1m (including depend ants) in 1974 to about 600,000 Swiss because of their close now, plus more than 200.000 on trading ties with West Germany, seasonal permits then, who bave had risen to somewhere above shrunk to fewer than 100,000.

-Independently of that, the political bathle has been going the most active Socialists did the on about bank secrecy, the almost lengedary numbered accounts which have made Zurich so attractive to many a foreign investor (and tax evader). The Socialist Party last year mounted a campaign to abolish secrecy vis-a-vis the tax collector, Swiss or foreign, and has obtained enough signatures to be able to force a

referendum on the matter.
That particular initiative will be kept waiting until proposed legislation governing withholding taves and bank regulation bas been formulated.

Details are discussed in the political article of this survey. but in the meantime two points deserve to be recorded: the banks bave since some time undertaken not to assist actively breaches of foreign undertaken exchange control rules of other countries. and to check carefully the identity of new foreign depositors, lest they be landed with unsavory money.

But, second, it is clear also

that neither the banks nor the conservative parties (nor prob-ably the electorate) wish to drop bank secrecy. After all, not only foreigners have numbered

Within the Government it appears to be common ground that whataver measures are eventually taken, they must not undermine the importance of (though it is a matter of arguprovide 2 per cent of the jobs in the country and pay 7 per cent of direct taxes; imposing extra burdens need not necessarily increase the tax yield because both foreigners and Swiss could seek havens elsewhere for their

But what is common ground within the Government need not necessarily be common ground between the parties that provide the ministers. Strains between them have become very evident of lat. Some Socialists openly want to pull out of the well established coalition with the very well established.

from consensus among some of party little good in last year's parliamentary elections. Though it held on to its share of the vote. It lost seats and finished level with the Radicals with 51 seats each in the 200-member

The comparative failure of the Socialistis, previously the parties farther left. But, more they look upon the trade unions, which happen to be moderate, as their real representatives.

energy prices). To stop import- interest on current accounts and heard before, and they need not counted committees of experts ing inflation the National Bank on deposits for less than three necessarily be taken to heart, and of representatives of the The Swiss habit of consensus in various interests which are heard before the Government Moreover, at least on the face formulates a policy or the of it, the undeniable move away Parliament a law, to an occasional blunderbuss of a. referendum. Government and parliament twice agreed on proposals for a Value Added Tax,

and were twice rebuffed by tha

### Moderated

electorate.

In the past, the so-called xenophobe parties, now in total biggest party, seems to have eclipe, twice tried to reduce had two reasons. Some of their drastically the migrant labour supporters drifted off to smaller force by means of a referen-parties farther left. But, more dum and were also rebuffed. important, many potential But the votes were sufficiently Socialist voters did not bother close for the Government to to vote, either because they come forward with its own more felt that nothing would change moderate proposals: a lost whatever they did, or because referendum does not always referendum does not always mean a lost cause.

Lost or won, a referendum can infinence events. Moreover, One way or another, consensus the institution can bridge the confrontation gaps that occasionally open up

decisions rest with the elec-torate; the task of government as such loses some of its poli-

immense political acinevementin histor yof having held together a nation of four different languages, resisting the powerful nationalist attractions that have at times come from Germany, France, and to

It is a system requiring a good deal of pragmatism and much patience. When issues really inflame passions, success can become elusive. Two votes on nuclear power last year have left the question up in the air: nuclear power stations may be built, but in practice the obstacles are formidable. ~ Likewise it has not so far

a lesser extent Italy.

been possible to achieve cons sus in the Jura question: After much agitation and many referendums, a new canton, at farge to fit in with estab-Jura, was formed last year from lished potterns, the North of the French-speck. the North of the French-speakremains the favoured attitude between a Government party ing part of Canton Berne, The

and its members in Govern southern Jura those to stay ment. Because the final, crucial with Becrue, a veryiet which the decisions rest with the electrons of the northern Jura

decisions rest with the electrorate; the task of government have resided to accept as such loses some of its political passion.

The success of the system is nolice and building separatists most evident in the economic who most provocatively and field, if one overlooks the held a raily in the southeast. still Bernese, Jura A bullet was injured, though nobody was killed The question of who was to blame has not, and probably

will not be cleared up entirely. The episode does hold a warning. The dividing line between the new Canton Jura and the South was drawn after a series of painstaking referendums to find out what each district wanted. But the machinery for consensus cannone is wanted. Not the referen special interests is the secret of the Swiss way: the real

# Business circles optimistic about economic future

OPTIMISM PREVAILS through Exports and output are growing; so is productivity. Unemployment at 0.2 per cent ment bow far you can go without of 1974. But prospects for late running that risk). The reason this year and for 1981 are is fairly straightforward: banks judged with much caution: a recession spreading outward from the U.S., long predicted, would make life difficult also for the Swiss. Even in the meantime the

growth rates are small, though not by Swiss standards. For 1980 the forecasts range between 1.4 and 2 per cent, with the lower figure looking more likely to be close to the truth. That follows upon growth of less than I per cent in the previous two years and will still leave GNP in real terms some 4 per cent lower than in 1974. the year before the sharp recession of 1975.
In retrospect, most observers

in Switzerland regard that setback as a healthy, if painful, corrective to an over-extension of the economy. The reason for their present optimism is a twoone: traditionally, Swiss economic cycles lag behind those of the country's main customers, especially in West Germany, so that the current period of strength should still retain a lease on life.

Rather more immediately, exfrom the reversal of the fortunes of the franc sloce 1978. During that year, the exchange rate of the Swiss currency mounted steeply, largely as a result of the low Swiss inflatioo rate. Towards the end of 1978 the Swiss National Bank abandoned its policy of fixing monetary targets and set itself instead a target for the exchange rate had slumped below 80 centimes. at which rate Swiss exporters. But one may also detect behind and hoteliers were in desperate it some Swiss fears that too low plichts. A year later, at the end of 1979, the D-mark was. back to 92 centimes and it appreciated a bit further in the

opening months of 1980: That success was achieved partly as the result of the usual phenomenon that exchange rates tend to oversboot, so that drastic movements are followed by a compensating reverse movement. But it was also due to the sustained intervention of the Swiss National Bank against its own currency. Com-bined with the abandonment of monetary targets, that gave Switzerland an unaccustomed inflationary push.

### 'Astronomic'

Withio a year, the consumer price index rose by about 5 per cent, which is almost astronomic by habitual Swiss standards. As a result, in De-cember of 1979 monetary targets were re-instituted. The National Bank proposes to keep the growth of the central bank money stock (not circulation plus current deposits of the corporate sector with the central hank) to 4 per cent The effect was immediate.

The money supply (M1) was actually 11 per cent lower at the en dof January 1980 than a year before. Despite central bank help with end-of-month settlements, the annualised interest rate for day-to-day money temporarily climbed to somewhere around 30 per cent etc. where around 30 per cent at the end of March. The signal from the bank is

clear: inflation once again is Public Enemy No. 1. In a slightly paradoxical way that is underlined every by a recent leak to the effect that the National Bank was determined to keep the D-Mark below 95 centimes, if necessary by beavy Intervention in the markets.
On the other side of the pic-

ture, however, there is the receot renewal of an agreement between the Bank of Japan and the Swiss National Bank, involving also the Germans, and the U.S., in which the central banks offer each other swap facilities designed to stabilise their

Real Exchange Rate of the Swiss Franc 80իաբուսիաստակասանցիցությերանին անանգային 1976

### RECOVERY FROM

n,	ECESSION
(Real gro	wth and contraction of GNP)
1974	+1.4 per cent
1975	-7.7 per cent
1976	-0.6 per cent
1977	+2.8 per cent
1978 .	+0.2 per cent*
1979	+0.7 per cent*.
1980	+1.4 per cent

\* Estimate. † Forecast. Source: Swiss National Bank, National Accounts Economic Forecasters' Working. Group.

In the first place that agree-ment is part of central bank fluctuations of exchange rates. But one may also detect behind a yen will once again cause problems for Swiss exporters, and open up Swiss import of Japanese goods.

Altogether it is important to note that whereas Swiss exports

are rising not only naminally, but also in real terms, imports are rising more quickly. In 1978 exports came to SwFr 41.8bn as against imports of SwFr 43.2bn; in 1979 exports had climbed to SwFr 44bn, but imports to SwFr 48.7bn. The resulting widening of the trade gap pushed the current account surplus down from SwFr 7.95n in 1978 to something short of SwFr 4bn in 1979. It is probable

that as a result of imports pulled in by brisk economic activity, the current account actually dipped into deficit in the opening months of 1980. Some pessimists bave suggested that the pattern may continue throughout this year, but that view meets considerable scepicism both among

bankers and in official circles. For a start, the first quarter often is a period of more than average imports; moreover the international revenue which the Swiss derive from foreign investments should rise as a result of the world wide increase of interest rates. More important, slower growth later this year would

reflect very quickly on import their large ingredient of raw materials and semi-manufactures react very quickly to cyclical change, whereas the finished goods which the Swiss export do not About a third of their exports consist of machinery, which takes a long time to make; as a result there is a time lag before exports react to changes in the climate

outside. External payments apart, the Swiss economy is probably less well equipped to meet recession. when it comes, than it was in

many cases been whittled down by cutting margins to keep mar-ket shara and also to hang on to skilled staff. The latter point

must not, however, be ove stressed since the labour force was reduced by about 300,000 as a result of the recession, to some 3.5m now. Two-thirds of that number were migrant including many part-time women workers who had postponed their retirement during the

These are processes which it will be difficult to repeat in cases of renewed recession. The shakeout has probably gone as far as it can without causing.

real difficulties: In addition, the worldwide rise of interest rates has not by-passed the Swiss, even though most other Governments would envy Berne which can still borrow with a coupon con 1 to 5 per cent than to 6 p. cent. That, however, constitutes a doubling in a matter of years. Higher interest rates have graded but not demonsted. have eroded, but not devoured, one of the competitive advan-tages of Swiss industry. What all this amounts to is that some of the fat that Switzerland accumulated during

the good years bas been used up. But there is no reason to suppose that there has been a serious weakening of the Swiss economy. Less fat can in any case be bealthy. Some acuta problems of the early 1970s have come closer to solution. The construction ludustry then was a hotbed of inflationary pressures. Its collapse in 1975 and a subsequent moderate and a subsequent moderate revival caused largely by demand for better quality housing have left it in better shape. Likewise, the watch industry has tackled its structural problems caused by the advent of the quartz watch and by competition from Japan. The industry has slimmed down from 90.000 employees in 1970 to 50,000 new. Maybe another. industry which makes the simpler mechanical watches.

Another point that tells in favour of Swiss industry is that. the social consensus (discussed in more:detail in the article of: this survey dealing with the trade unions) has survived with little evidence of strain. Real wages have advanced slowly but beginning of this year settle-ments were adding some 6 per cent or more to pay; compared with an inflation rate last year.

If this year's inflation rate, as expected, remains at much the same level; and if next year hoped, then such settlements will continue to look reasonable: But if Switzerland makes a habit of an inflation rate of: about 10 per cent (such as was seen in 1978 74), or more, then the consensus must come under

### Clear logic

In spite of some of the cross were not replaced; the restion seems to be clear. As long mainder were Swiss who with as the rest of the world has not drew from the labour force; mastered inflation, the Swiss rather than to come down. That i does not, of course, exclude tem-, porary lapses, such as those caused by sky-high American Interest rates early this year at a time when there seemed to be little exchange rate risk attached to the dollar. Zurich suffered an immediate outflow:

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BE PARTIE

At that time it was common to hear the Swiss franc described as a wea kcurrency. Dr. Fritz Lentwiler, Governor of the Swiss National Bank, corrected that phrase: the franc, he said, was a strong currency undergoing a temporary bout of weakness. He was probably right, provided that rising energy prices do not further undermine the idyll of Swiss stability. (Energy contributed: about balf of the recent inflation rate). Swiss officials believe that the expected recession will be a help in this

context.

If, then, the franc is likely to be a rising rather than a declining currency in the long run, the Swiss will have chosen to suffer the goad which has helped to keep their economy ing it to take the full pressure of market forces—from tariff cutting within Gatt, from the free trade agreement with the EEC, and fro ma generally strong exchange rate—they believe they have ensured that Swiss industry is kept on its-toes. The fight for survival of the watch industry is only one

W. L. Luetkens

### FOREIGN TRADE (SFr bn) Imports\* Thereof: Britain 3.4 U.S. .... - 3.2 West Germany ..... 12.2 44.0 Thereof: Britain ..... 3.0 West Germany ..... 8.6 Excluding special items such as electrical energy and 1978, industrial gold. Source: Swiss National Bank THE CURRENT ACCOUNT (SFr bu) Tourism

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The Federal Council: (Left to right) Georges-Andre Chevallaz (President and head of the Military Department); Kurt Furgler (Vice President and head of the Justice and Police Department): Willi Ritschard (Finance); Hans Hurlimann (Interior); Fritz Honegger (Public Economy); Leon Schlumpf (Transport, Communications and Energy); and Pierre Aubert (Foreign Affairs)

# Slow-motion earthquake shakes the political scene

A POLITICAL earthquake has look at how Herr Ritschard cent, already applies to the to tax havens.

been a slow-motion earthquake; the first tremors occurred in 1975. In the elections to the lower house of Parliament of that year, the Socialists gained dath or resignation. As a rule, nine seats, which made them re-election is assured when a the largest party in the bouse of 200 members. For a tima there was much excitement; the Socialists even threatened to leave the traditional coalition unless they were given an extra member in the Government, known in Switzerland as the Federal Council.

tha established formula of two Democrats: (a Roman Catholic party with traditions ist and working-class wings), and one for the Swiss People's Party (peasants and small tradesmen).

The other foot

At the next election, in 1979, 2:2:2:1 seats in the Federal managing its affairs properly.

Council survived. But there is It would be fatal to allo Council survived. But there is It would be fatal to allow no denying that tensions be such an impression to gain within the Socialist Party itself

has questioned a number of raise doubts about military spending. The party leader, Herr Hubacher, has at times tried to put the brakes on this group, but is bimself to a great effent associated with a policy of opposition from within the Covernment The entire question of membership in the Governnent may yet b ere-opened.
There is much evidence that the Swiss working class is not satisfied with the course of events in the Socialist Party. It bas had difficulty in recruiting members among the young white and bine collar workers. It has not really pleased the trade unions, which are fighting for participation in company man-agement as a model for the

Moreover, the party militants are often at loggerbeads with their own representatives in the Covernment. The Federal Council is founded strictly upon the principle of joint responsibility. As a result, members (who would be described as ministers in others countries) may often bave to pnt forward policies which conflict with those of their own party. Given that the 2:2:2:1 formula leaves the Socialists in a minority aven on those occasions when the Christian Demo-crats sympathise with the Left, it is the Socialist Federal Councillors who are most likely to find themselves at odds with

their party.
In this context a great deal of attention has repeatedly focussed on Herr Willy Ritschard a Socialist member of the Faderal Council since 1973. During the lifetime of the last Parliament his responsibilities included energy, and be repeatedly came into conflict

sidering them, it is useful to ing tax, at a stiff rate of 35 per

shaken Switzerland, but don't came to be a member of the yield of Swiss shares, Swiss worry: the existing political Federal Council.

Members of the Council are In keping with thet normal elected by the National pace of Swiss politics, it has been a slow-motion earthquake; the first tremors occurred in They are elected for the duration of a Parliament, and they are irremovable except by new Parliament meets.

In 1973 a vacancy arose for a Socialist, and the party put forward a candidate other than Herr Ritschard. But with the offier three big parties bourgeois parties clubbed unless they were given an extra together and elected Herr Ritschard instead. Their choice had fallen upon a man who bad made himself a good and But nobody was especially steady reputation in the trade surprised when they settled for union movement and in cantonal politics.

mebers each for themselves, the Herr Ritschard's most immedi-Radical Party (mainstream con- ate task is to balance the federal servative), and the Christian budget, which has been running a small but obstinate deficit, equivalent to between 1.5 per cent and 2 per cent of GNP.
The figures do not look
especially alarming but Herr
Ritschard argues that running a deficit in the present good economic climate could severely the boot was on the other foot. reduce the room available for The Socialists held their share deficit spending in a period of of the vote, but because others recession. Besides, constant did better lost four seats, finishing level with the Radicals. The the cautious Swiss electorate as so-called magic formula of though Berne is incapable of

no denying that tensions be-tween the parties, and above all ground, because the electorate tween the Socialist Party itself is the last arbiter over taxes and the labour movement as a by the device of the referen-whole have bene heightened.

In the Socialist Party a group

the introduction of an Added of young intelectuals has been Value Tax as part of a reform questioning the wisdom of the entire budget structure. It There could be worse to come. Government policies, called for two main sources of federal more intervention in the market revenue, an income tax and the ared to turnover tax, expire in 1982. nilitary Mr. Ritschard and the Federal Council will face a crisis if their proposals for the new regime are rejected by the electorate. In other words, there could

be another earthquake, butagain— do not worry too much: provisions exist to limit the potential damage. If the people turn down the new tax regime, the Parliament has emergency powers to extend the existing one a year at a time. In the meantime, a

of economies are proposed.
Some, such as the cancellation
of a bread subsidy and cutting
federal contributions to funded social security resources, will not please the Socialist Party. In addition Harr Ritschard wants to transfer certain financial responsibilities from Berne to the individual cantons.

### Speculation

There has been much speculation as to wbether Herr Ritschard faces another confrontatioo with his party because of policy towards the banks. The Socialist Party bas collected enough signatures to force a referendum on proposals to abolish bank secrecy where it is a means of tax evasion, to restrict the influence of banks in industry, and to introduce

deposit insurance. Herr Ritschard has not taken a public stand on the issue of the referendum which, in any case, will not be held for some years to come. He is, however, working on proposals for reform of taxation and of bank regulation which will go some way towards meeting the same

Thus the Parliament has with his own party's critical attitude to nuclear power.

Since the elections of last year. Herr Ritschard has been put in charge of figures. put in charge of finance. Here on Swiss franc bonds of foreign again there is fertile ground borrowers, and on trustee for differences. But before confunds. The existing withhold-

domestic bonds, and even of

Withbolding tax can be reclaimed by anyone who shows that be has declared the income in question to the Swiss tax collector, or to the authorities of a country with which Switzerland has a double taxation agreement. The proposal, therefore, is a disincentive to tax evasion — though the rate of 5 per cent which is being talked of does not seem too terrifying. Even so, the bangs say, such a

savings accounts.

companies and their right to case proxy votes on behalf of their clients in shareholders' meetings may be tackled in the

There is a school of thought. according to which the Socialist tax could cause ao exit of funds and the regulatory legislation

The matter of deposit insur- that means it would avoid a one kind in which the elec- Government that something is recent study by a group of ance and of bankers' member- probable defeat. On the reverse torate must rule on a law or afoot; frequently, therefore, social scientists at Berne Uniship on the boards of other side, the banks could try to measure accepted by or pro- they lead to legislation going versity found that 43.9 per cent enforce a referendum against posed to the Parliament. In that part of the way proposed in the the tax and the regulatory pro- case the referendum is an petition. posals: all they need are 100,000 signatures. Only that is fortbcoming reform of regula- a referendum that they, too, tory legislation. At present it might lose. Banks are not is in the phase of study by ex- especially popular, and there is perts and the interested parties. a hallowed tradition of referendums going to the "nays."

The story has been told here Party will drop tha referendum, at some length not only for its and with it the issue of bank own sake, but because it shows secrecy, if the withholding tax some of the workings of direct democracy. Basically there are kind very rarely succeed. But tent with their circumstances

extremely effective instrument: Value Added Tax is dead. In the other kind of referendum

100,000 citizens have to sign a petition asking for the consti-tution to be changed in accordance with their wishes: The turnoot was marginally be-the bank initiative of the low half the electorate, Socialists is a case in point.

And the afct of the matter is that ioitiatives of the second

live up to its expectations. By two kinds of referendum: the they dosignal to Parliament and and the political system.

The dwindling participation of voters in the regular federal referendums bas often exercised Swiss political commentators. Last year's election has given them added food for thought.

One is often told that many of the people who do not vote, abstain because they are con-

pressed a high degree of satisfaction with the system; whereas 41.0 per cent were only moderately satisfied, and 15.1 per cent expressed a low degree of satisfaction. Many Swiss thought that a bad score; in many other countries ona would be bappy to have no more than one in six serious

malcontents.

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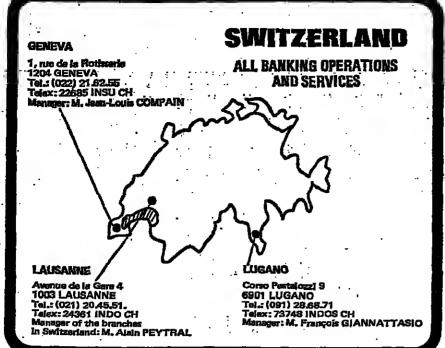
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### ELECTIONS TO THE LOWER HOUSE: 1975 and 1979

objectives.

	Seat 1975	
GOVERNMENT PARTIES	47	51
Radicals (conservative)	55	51
Socialists	· 46	4
Christian Democrats Swiss People's Party (agrarian)	21	. 2
OTHER BOURGEOIS PARTIES Liberals and Independent Liberals (conservative) Evangelical Party	17 3	. 10
XENOPHOBE PARTIES National Campaign and Republicans	6	-;
LEFTWING PARTIES	· :	
Communists	. 4	:
POCH (Extreme Left)	. —	;
OTHERS	. 1	
	200	20

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# Country treads lightly over UN

THE FEDERAL COUNCIL, report to Parliament on the Programm Government of Switzerland, matter, issued in 1979, seemed recommendation to Parliament was eventually going to desproposing that Switzerland cribe as desirable. dhere to the UN Charter. What happens then is in the lap first of the Parliament; then of the 'sovereign,' as the electorate is

Parliament is sympathetic to the request; it is supported by four main parties and by the majority of politically interested Swiss who feel that by standing side from the world organisation, Switzerland is remaining mute in many places where its voice onght to be heard.

opinion , polis . have consistently shown a majority against joining. Quite plainly the UN is widely considered an and moreover expensive organisation, whose General Assembly has fallen under the influence of what many Swiss regard as an unruly Fhird World.

Under such circumstances, the Parliament may be tempted procastrinate, as Government has been doing for long. The recommendation to be made later this year will succeed three previous reports which have gradually moved in favour of joining the world organisation.

### Referendum

But the decision is neither in the hands of the Government, nor of the Parliament. The constitutional position is quite clear; the last word rests with the electorate in a referendum. The decision when to bold the referendum will rest with the Government, once the Parlia-ment has approved. There is a fair chance that the Government will want to go slow, probably in the hope that something will turn up. A likely time is in 1982 or late in 1981. Since 1983 will be an election year it is probably best avoided. Everybody in Berne is acutely aware that the referendum may well be lost, but it would be nothing unusual for a matter of importance to be referred to the electorate

its approval. The forces ranged against applying are formidable, includng, Herr Otto Fischer, head of the association of small shop-keepers and artisans. He looks upon the wbole idea of membership as something in conflict with Swiss traditions of neutrality which go back at least to the Congress of Vienna

more than once before gaining

The Government itself, in a

"There is no denying," said, "that in recent years the General Assembly has taken decisions which were not always compatible with our judicial and moral conceptions of the international order. Some resolutions have even shocked Swiss public opinion and rightly so."

But the report did go on to say that the U.N. was the only forum that the world bad for peaceful dialogue and conconfrontation. As regards the neutrality of the Swiss, Berne argues that that part of the U.N. Charter which provides for the possibility of military sauctions has remained a dead letter. The emphasis in cases of conflict has been on peacekeeping, and the Swiss have played a role, if a very small one, in such operations, without, of course, aending soldiers of their own.

For it is a mistake to assume that the Swiss have stood aloof from all U.N. activities. They are even members of Unctad. whose activities are unlikely to commend itself to a people of profound economic conservatism (and one that, being a technological innovator, much to fear from the developing world's pressures for transfers of technology).

But there is a number of UN organisations from which the Swiss are barred or where they may attend as observers only. For instance they do not belong to the Commission of International Law, in spite of their special interest, as a small and neutral State, in this subject. interest prompted them, in the Conference on Security and Co-operation in Europe, to put forward a proposal for a system of mediation in European quarrels, which attracted considerable attention.

The UN organisations to range from the purely func-tional, such as the International Civil Aviation Organisation, to others with distinct political overtines such as Unctad, as already mentioned, and the

the isolationist, not to Honduras. later this year will submit a almost embarrassed by what it say parochial, bent of the Swiss. "sovereign," it need surprise no one that the Swiss aid effort it usually gets had marks. The the Development Aid Committee (DAC) of OECD in Japuary examined the Swiss iperformance and found it wanting.

> .In 1978 official Swiss aid was equivalent of 0.2 per cent of Swiss GNP compared with a DAC average of 0.35 per cent and a target of 0.7 per cent. Berne is budgeting for increased. Government aid, which may rise to 0:25 per cent of GNP in 1981.

### Token amends

People in Swiss Government still speak with a sense of em-barrassment of events in 1976 when enough signatures were collected to force a referendum which refused the Swiss authorities the right to take part in a capital increase of the International Development ancy (the soft loan sister of World Bank). This year y offered at least token amends by proposing to warve repayment of SwFr 182m, the outstanding amount of two Swiss loans made to IDA an 1967 and

DAC was mather more impressed by the quality of Swiss Givernment aid, two thirds of which goes to the Least De-yeloped Countries (LDCs), and by the flow of private funds to developing countries (though hardly to LDCs) which, at 4 per cent of GNP in 1978, was hig than that from any other OECD country. It is, however, a moot point bow much of that money was really the product of estic Swiss savings.

Switzerland occasionally also gets a bad Press because of exports that others consider sensitive. In recent months the U.S. bas complained about sales of a heavy-water plant to Argentina, and of a avive that can be used in an uranium. enrichment plant, to Pakistan. In both cases the Americans the Swiss do belong felt that the Swiss were in from the purely func-danger of assisting the prolifera-

tion of nuclear weapons. Britain bas been npset by the sale of Pilatus light aircraft to Guatemala. It is afraid that they might be used as rocket United Nations Development launchers in any conflict about

The Swiss answer in both memised list of what goes into tases is very much the same; an enrichment plant. One can that the effending export is see, their dilemma, but there either not identified or is not is also something disingenuous in their a sensitive one. In the argument, the argument the case of the Pilatus the argument. To turn to less disagregable ment is that Switzerland does fining, the old Swiss tradition not sell armaments into areas of rendering good offices an of territory many seems still admittedly can a lot of other

As regards the nuclear exports. Berne argues that it has complied faily with its obliga-tions mader file Non-Preffera-tion Treaty and of a member of the Lendon Gleb of mulear suppliers. Argentina has agreed to the required safeguards as a mendition of the entire deal, the Swiss say — but it has not adhered to the NPT.

In the instance of Pakistan, an episode which became known about a year ago, it is argued in Berne that there was no official knowledge that the Swiss-supplied valve was a vital part of a tranium enrichment plant similar to the Urenco manium centrifuse built by Britain, the Netherlands, and West Germany. Enrichment is a sensitive matter because uranium has to be heavily enriched before it can be used its force.

in a bomb. . The Swiss say that the non-

British nuclear members of NPT have fonduras.

Consistently been refused an
The Swiss answer in both ifemised list of what goes into

of tension — but first a light the international scene still accraft is not a weepon. If lives Messages between States probably is not but with a that are at loggerheads have little ingenity and application occasionally passed through can be turned into one. So, Swiss diplomatic charmets. It is a tradition made possible by

Swiss neutrality. Frequently the good offices become fermalised. Thus, for instance, the Swiss take care of Iran's interests in Egypt, Israel, and South Africa—three States with which Tehran has reptured diplomatic relations. The Swiss also look after Cuban interest in the U.S. (an unlikely sounding task for so conservative a country), and vice versa.

Time was when it could be argued that a neutral Switzer land was essential to help sort out the mess after others had quarrelled and fought military technology may have made that argument out of date.

But the instance of the Swiss diplomats taking care of some one else's diplomatic inferests in more than a dozen capitals shows that it has not lost all

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# Engineering industry

IF THERE is such a thing as outstanding down from the machinery and vehicles—or well Last year no less than 34 per cent of total Swiss exports were accounted for by sales of machines and instruments, ex-cluding timepieces. What is good for engineering is, generally speaking, food for the

Like many other industries, engineering is just emerging from a period of low growth rates. Volume production of the "machines and appearatus" sector actually fell by 1 per cent last year, according to latest Government figures. In the last quarter of 1979 turnover of the engineering and metals industries combined was only 0.4 per cent higher than a year earlier; for the whole year the Swiss Association of Machinery Manufacturers says that sales of its 200 reporting members rose in value terms by only 0.3 per cent over 1978, albeit to a sub-stantial figure of SwFr 13.7bn

(\$7.9bn). In the past few months business has picked up considerably. enough for manufacturers to be expressing "above average optimism" for the current spring quarter in a survey published by Union Bank of Switzerland. Demand has been rising rapidly in both export and domestic last year averaged only 148 markets, Swiss manufacturers having benefited from the in 1974. Although total orders stabilisation of exchange rates were np in 1979—to SwFr 14bn and an overall need for the for the 200 reporting member modernisation of machine shops. undertakings of the Machinery Employment levels are up and

order books getting longer. For 1979 as a whole the Association's report points to a 5.5 earlier; export orders were still per cent improvement in new orders, with a particular upturn level. Work on hand remained in export and domestic con-steady, closing the year at an tracts in the nal quarter. Initial average 71 months production, indications are that the influx but in 1974 the corresponding of fresh business has continued lead time had been nearly 10 and even strengthened this year months. so far. The relative weakness of the Swiss franc in the first quarter improved Switzrland's position in world markets, while earnings. Most undertakings domestic investments in equipare still working on very narrow

important exchange rate, brought orders ago.

CONTINUED ON FACING PAGE

a key industry in Switzerland's equivalent of 17.6 months highly diversified economy, it is output in the boom year 1974 to undonbtedly the engineering a level of 4.4 and 4.7 months' sector. Almost a third of the production respectively. By the total industrial workforce is end of last year order books engaged in the manufacture of covered seven months' output again-a situation where the over balf if the related metals loom builders appear unable to and watch industries are added. expand sufficiently to meet the growing market

For the textile machinery branch last year brought excellent results from the International Textile Machinery Exhibition (ITMA) in Hanover not least in the light of recovery in the textiles industry itself.

### New orders

Not only this group of manufacturers profited from a major fair, orders awarded to Switzerland at the European Machine Tools Exhibition (EMO) in Milan were "good to very good," while makers of plastics processing equipment did well at the K'79 Interna-Dusseldorf. These three events were instrumental in improving new orders in the latter part of

The rise in orders since last autumn and the fact that exports were higher by almost 18 per cent in the first two months of 1980 than for the corresponding period of last year are definitely encouraging. But Swiss engineering has a great deal of ground to make up after the lean years of the late "70s.

The production volume index (1963=100) compared with 168 Manufacturers' Association this total compared with a value of SwFr 15.5bn five years 5.5 per cent below the 1977

Moreover, growth in business has by no means proved tantamount to growth in actual ment are expected to rise by a profit margins, the industry's further 6 per cent in real terms generally long delivery dates meaning that earning power is textile slow in following an improvemachinery sector is out of the ment in market conditions. The serious crisis it experienced in price situation continues to be 1977 and 1978. The worldwide difficult, even if fewer contracts textile recession, aggravated by are probably being accepted at the strength of the Swiss franc nneconomic rates than a year



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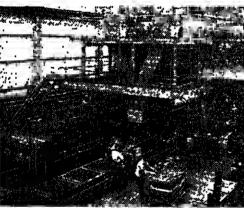
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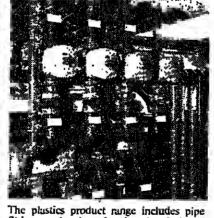
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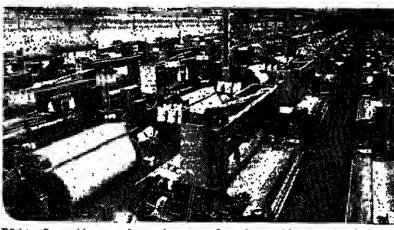
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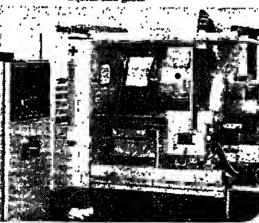
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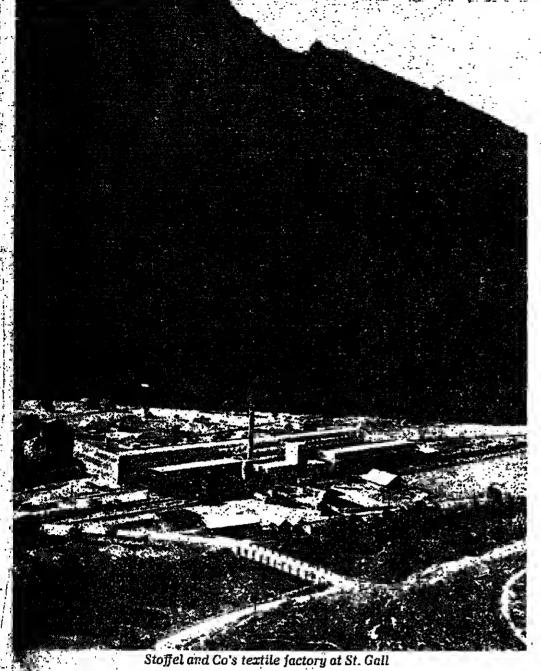
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Engineering

CONTINUED FROM PREVIOUS PAGE

non-electrical machinery was have been lost in the product the country out of world prices over comparable 1979
figures, with a further decline
in the case of electrical decode, almost all of them their position abroad through as much greater degree. or pletely, For the past two years are no signs—as yet—of a net of formula. Courselfons are ngin ation of sales priess this sales time when in them is a sales thicker on it will them Overal material and I hour costs

LACTORES ESTRESS

Company of the Section of the Sectio

HARM

unemployment in the industry

can be safely assumed handual number of situastant is well in excess of t promunities to haild up Canprison with newly arrived above me limited in the and their is a painful en he market.

At the beginning of 1980 only ably future. Over 40,000 jobs strong Swiss franc has priced group machinery, apparatus and markets, engineering companies hines and applicatus and, to apparently phased our com- operating subsidiaries. There h a averaged well under 1 000 (the labour force slowed a s ight increase less year, in fam), but for many groups corporate expansion will be taking place abroad. Foreign growth will also doubtiers take the form of cheaper and less ophisticated production being

prised on increasingly to such "de affliates while parent g. . . Iraady high dond-value

component at home

largely renounced the use of trade union power in the usual meaning of the words but it that their influences is, therefore, small. On the contrary, they have been integrated into the political decision making

In the conduct of individual enterprises, however, their role is less than that of their fellows in West Germany and Austria, who have varying rights of participation in management. Proposals for requiring the larger enterprises to acept workers' representatives on their hoards were voted down in a popular referendum in 1976. The battle now is on to reverse that verdict. Like everything in Swiss politics, it

Swiss labour relations were not always as peaceful as in the post war era, during wblch strikes bave become most unusual. In 1918 the army was called out when a general strike started in Zurich, caused hy hard times in a country surrounded by a Europe at war. The strike collapsed quickly. Under the impression of that

strike the electorate, through a referendum, introduced proportional representation which. alone, made posible the entry of a large Socialist group into the lower house of Parliament, the National Council. Labour had begun to become respectable. By now the Socialists are an established member of consensus that constitutes the thought Swiss way of politics.

The next historic milestone

renewed ever since. The agree- requires renewal. ment was horn of the very In other industries special situation of 1937 when may differ. Wages building up.
It is undenlable that the

TRADE UNIONS in Switzer- time not only in Mussolini's ever, you are told that very Whether it will eventually go all land have become a byword for Italy. In the case of Switzer- often the employer tells the the way is something that at itself into a knot. Thus well conciliatory conduct. They have land, however, a corporate state committee more than be need present nobody can know. The meant proposals to improve the is atterly ruled out by both the parliamentary tradition and, ng of the words but it even more, the institution of also has its own ways of trade union movement is basis by letting them stay un he wrong to conclude direct democracy, which make gauging what is going on. No divided along ideological lines, and hring their families to heir influences is, there, all major and many minor wonder the members are under SGB which is close to, but also Switzerland have run into diffidecisions at national, cantonal, an obligation not to pass on at times at loggerheads with, culties. The initiative came and commune level subject to information to outsiders, which the Socialist Party, has 470,000 from the Christian National popular approval referendum.

The no-strika agreement in the metal industry, as it has evolved, provides for compulsory arbitration in the case of disputes. From the very beginning it forbade not only strikes during the period of its validity, but equally hanned lock outs. And it required not only the will of laheur and management to agree, but also the readiness of the several diffetrent trade unions' organisations (which will be con-sidered lower down) to bury and Indeed to participation as a

their differences. The key clause invoked the one of grace. spirit of mutual canfidence, The atten and it is safe to say that the entire structure of Industrial relations in Switzerland is based on that concept. Indus-

It is a peculiarity of the metal workers' peace agreement that wages are negotiated the seemingly permanent ment that wages are negotiated Government coalition (whose nat by the union but separately fortunes are discussed else-in each works between managewhere in this survey); and the ment and works committees trade unions are by right elected to represent the white drawn into the intricate process collar and the blue collar of consultation and search for workers. One might bave consensus that constitutes the thought that this would encourage leapfrogging. But if you ask a Swiss union official after the electoral reform was about that, he will probably the celebrated no sirike agree invoke the appeal to good faithment concluded in the and then tell you that leapment concluded in the and then tell you that leap-engineering and metal indus-tries in 1937, an agreement only once the anual wage agreewhich has been regularly ment concluded at works level

In other ladustries patterns the danger of war in Europe chemical industry, for instance, and of the consequent pressures are negotiated nationally. But on the economy was once again the works committee is a widespread and crucial institution. It has the right to be informed

(often more than shareholders hear)-and that the committee may include officials of their

Unions wield power in politics

own union.

Given the fact that much of Swiss industry is split into small concerns, often under family or one-man rule, this quasi-paternalist pattern comes naturally. It also fits what, in spite of the large number of foreign workers, is a close knit community, and one which may stand for great differences of wealth and income, but not of social atatus.

Nevertheless the trade unions

matter of right rather than as

The attempt to ensure participation by referendum having failed, the matter is now before the Parliament where a number of rival proposals are tries other than the metal under consideration. The largest industry may not have quite so trade union organisation, and explicit a no-strike agreement, with it the Socialist Party, but strikes and lock-outs are wants labour to have half the hut strikes and lock-outs are wants labour to have half the renounced during the period ef. seats on the so-called Board of relidity of collective agree- Administration, which in law is ments. Moreover, that renun-responsible for running public ciation is justifiable: if mediation fails, the labour courts can be appealed to.

Good faith

It is a peculiarity of the companies though it may delegate its authority (but not its ultimate responsibility) to a Board of Directors. This proposal, put forward by the Swiss Trade Union Federation (SGB), would allow persons not employed in the company con-cerned to he elected to the

> The second largest group, the Christian National Trade Union Federation (CNG), a federation of Roman Catholic trade unions, would restrict membership to persons employed in the com-

Board of Administration.

Yet another proposal asso-ciated with the Radical Party, the mainstream Swiss conservatives, would provide a firmer legal basis for participation at works level, but not at enterprise level-in other words no labour representatives on the Board of Administration. Unlike the other two proposals, this version would require no referendum.

follow a familiar Swiss. peace agreement has certain about what is going on in the pattern: that progress will he experts, special interests, Parelements of the corporatism works, but not to bave access made towards participation, but lament, and Government to try which was fashionable at the to the books. In practice, how that it will be very slow, again. pattern: that progress will he experts, special interests, Par-

members through its member Trade Unions, but they soon unions. The CNG numbers about 100,000. They find their counterpart in a smaller federation of 15,000 Protestant fact that on balance the Swiss trade unionists. In addition reade union movement wants trade unionists. In addition trade union movement wants there is a group of rather more fewer rather than more than 20,000 anti-socialist trade foreigners in the country. The unionists, and several large CNG therefore turned cool to white collar federations: hanking employees (20,000), teachers dum; the SGB had never (40,000), and a large group of warmed to it. Both now hope

### Consensus

These groups do contend number of foreigners in the with each other for members, country, but by all accounts the consenbut by all accounts the consen-sus which is c haracteristic of so much of Swiss life also seems to rule here. The various groups generally feel that they bave more in common with each other than with, say the employers.

What have the Swiss trade unions achieved as a result of having buriad the strike weapon? In the first place steady though not spectacular wage increases. The general pattern repeated again this year, this year. The watch industry, purposes of redistribution and however, bas not felt able to social security, for a new energy give full compensation for the rate of inflation this time. Wages apart, the trade union

movement has been integrated

into the network of official expert and advisory commissions which deal with just about every subject of any importance, and in particular with legislation under preparation. The Federal Department of Economics alone bas more than 100 such commissions, composed of civil servants, academics, and representatives of the special interests. It is a curious but probably essential complement to government by re-ferendum. To the crydest of terms, what comes from the commissions is consensus, or the hasis for consensus. In emer-The probability is that events gency the electorate can then reject the proposals and tell

Of course, the system can tie obstacles are in any case great. lot of some 95,000 foreign wor-As bas ben scene, the Swisa kers allowed in on a seasonal

the whole idea of a referenwhite collar people, supervisory for legislation which will staffs, hotel employees and abolish the practice of letting others (140,000). months at a time only but will also prevent an increase of the

what the unions have gained by their moderation, concerns how long the idyll can last. Undeniably the wind has turned a denianty the wind has turned a bit chillier since the energy crisis and tha racession of 1975. The SGB has published a draft programme which caused the hourgeois Press much anguish. Having all but dropped its belief in interventionist policies during the free growing 1960s, the SGB now proposes that intervention on the part of the State may be necessary to secure bas been one to two percentage State may be necessary to secure points above the Inflation rate obs, to protect consumers, for social security, for a new energy policy, and for certain other

There were cries that the SGB had hetrayed the market economy. But as a matter of record, SGB leaders are not at all bappy with the conduct of the Socialist Party, which is making far more militant noises. So far the evidence is that the union leaders will stick to their accustomed moderation and that the shop floor will not press them to change course. An inquiry made in 1976-after the recession had struck-showed that 77 per cent of the trade union memhers polled favoured the no-strike regime. Not surprisingly the percentage rose to 83 per cent among the over-55s: but it also rose, to 81 per cent, among the young from 18 to 24 years of age. It sounds like a reverse generation gap.

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# Bankers foresee accelerating decline

profits last year, yet there is no escaping a feeling of deep concern for the future among top bankers in Zurich. Credit Suisse crystalised this in its annual report when it spoke of "the danger that Switzerland, which has been declining in relative importance for years as a financial centre, will see its business begin to shrink even faster than before."

The bank made this comment in the context of the lifting of Britain's exchange controls, which, it said, increased the relative com-petitiveness of London as a controls, financial centre. But in fact this development was just one among several, including stronger political attacks on the banks within Switzerland itself, which bave combined to throw them very much on to the

Perhaps the most worrying of these as far as the bankers are concerned is the squeeze being placed on them by Switzerland's high capital requirements. That these are higher than in other countries

In 1978, for example, the rate movements.

sheet to the point that once equity to asset ratios of the The other problem could be again new capital has to be three major banks ranged from much more fundamental. It is found.

at Bank of America it was 18 and at BNP it was as high as

This shows that Swiss banks bave some justification in grumbling about how difficult it is for them to stay competitive in the international arena. At the moment the problems are being aggravated for two speci-

the dollar. All three major banks have a very large amount of foreign business booked in their balance sheets. The value of this in francs bas increased enormously as the Swiss currency weakened. Precise figures are not available, but it is reckoned as a rule of thumb that every time the dollar rises by one centime in value, balance sheets att be major banks expand by something like SwFr 100m. Equity thus needs to be continually increased

simply to keep up with exchange

Bank of America it was only banks will be required to publeast, that the banks will tend lower last year at an unrec poster a subject to SwFr 230m and Credit Suisse 3.2, while at one large French lish consolidated balance sheets in the long-run to concentrate major banks and the higher to SwFr 230m and Credit Suisse 3.2, while at one large French lish consolidated balance sheets in the long-run to concentrate major banks and the higher to SwFr 230m and Credit Suisse Bank Rangue Nationale de on which capital requirements more and more on business earnings from this quarter came, one of 12.3; per cent to bank, Banque Nationale de on which capital requirements Paris, it was only 0.68. Return will be applied. As a first step on equity at the Swiss Banks the banks are already supplying was a mere 5.99 to 6.21, while the Federal Banking Commission in Berne with details on an though the formal rules could be drawn up quite soon. When that bappens the banks may face further crippling demands for

This is one reason why they are already very cautious with some types of business, such as low margin syndicated credits. They feel that accepting a mar-The first is the recent rise of gin of 1 per cent on a deal, which might be reasonable from the market point of view at present, could turn out to have been pure folly in two or three years' time when the capital requirement on that business may be much higher

capital

In fact this point simply serves to illustrate the dilemma which they face. On the one hand they have to generate more and more business to service their increased capital; on the other, the new business so often simply lifts the balance

least, that the banks will tend lower last year at all three posted a 16 per cent increase activities which do not impact even then from an expansion Switr 247m.
on the balance sheet. This of business As interest rates. At Credit Suisse, balance would of course include trading continue to rise this pressure sheet growth exceeded profit activities in securities, foreign informal basis. It looks as exchange and precious metals, as well as underwriting and most important, the off balance sheet trustee business which makes Swiss banks the largest suppliers of funds to the Euro-

Good profits

most bankers in Zurich expect higher capital.

this stage in the year exactly where the profits will come from, but given the sharp fall in the gold price, the fact that stock market activity may not be quite as buoyant as last year, and the prospect of a lower underwriting volume for new foreign bond issues and private placements, it looks as though banks will be thrown very much on interest earnings their higher profits.

is likely to continue, but its impact may not be felt most strongly until next year and the year after because the banks still have large numbers of lowyielding medium term notes out-standing. This keeps their total interest bill down.

As the notes are paid off (next year UBS, for For the immediate future must redeem Sw Fr 413m of such notes originally issued at that 1980 will be "another good less than 3 per cent compared year" for profits, although with only Sw Fr 41m this year) they are prone to add that they and replaced by notes yielding will need it to service their the higher current rates, the ligher capital.

It is of course hard to see at higher total interest bill.

Here once again are grounds for Swiss bankers to view their own achievements of last year with so much caution. But the results should not be overlooked since they rest in part at least on a successful attempt to control costs. In 1978, all three major banks suffered a decline in net profits of some 6 per cent. Last year this was more than made up. Swiss Bank Corp. lifted net profits

ERLAND'S "big three" 5.89 at Swiss Bank Corporation the great probability that withreported record net to 6.78 at Credit Suisse. At in two or three years Swiss according to some bankers at interest husiness were already Union Bank of Switzerland

gain with total assets rising by 16 per cent to Swir 55.23bn

but at the other two, assets

greet more slowly than not profits profile:

Swiss Bank Corp. was the largest bank in the country with total assets up 9.39 per cent to Swiff 69.18bn, while UBS reported a 20.5 per cent balance sheet; gain to Swiff 67.37bn.

Swir 67.37bn.

Despite this, a cautious policy was applied to dividends and all three maintained the same payont for last year.

This will add further to shareholders equity which in the case of Swiss Bank Corp. was already 5.4 per cent higher last year at Swir 3.93bn. At UBS it rose by 9.1 per cent to Swir 4.07bn and at Credit Suisse by 12.4 per cent fo Swir 3.56bn.

frend for equity is manithe upwards. The question ers is whether profits will note to keep pace.

Peter Montagnon

# Capital markets cope with rising interest rates

ment bonds, which stood at 3.11 per cent in January 1979 has now risen to over 5 per cent.

This is admittedly a small increase when set against developments in some other countries, but by Swiss standards it represents a very marked change in climate, even though the market bas recently enjoyed some stability with coupons at the 51 per cent level for domestic issues.

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One of the biggest problems. as far as the capital market is concerned has been that short rates have risen much faster than those on long dated bond issues. At the end of March the short term rates

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tal markets has been over one year time deposits paying banks, which will raise some the 35 per cent level which shadowed during the past year 64 per cent compared with the SwFr 12bn in fresh funds on applies to domestic issues. The by an ever-present trend coupon of about 5½ per cent on towards higher interest rates. a bond issue by a top-rated The yield on long term Governdomestic borrower such as a major bank or industrial company.

Nonetheless, total offtake on the domestic bond market did rise slightly last year to SwFr 9.69hn from SwFr 9.07hn while the amount of new money virtually unchanged at SWFT 4.6bn.

With the rise in interest rates there bas, bowever, been a shift away from the practice of domestic borrowers to prepay loans and refinance them at low rates. The calendar for the first half of this year allows for a offtake total SwFr S.51bn of which no less than SwFr 4.4bn is new money. A large part of the new off-

ACTIVITY ON the Swiss capi- were in fact much bigher with take is accounted for by the the market if it were levied at the capital market during the current quarter. This reflects the problems they have had finding other sources of long term money in a situation where investors have tended to opt for the more lucrative short

term instruments.

This surge in demand for funds by the banks bas not been welcomed by investors who feel saturated with bank paper. It has been one factor driving up bond yields, although the root of the problem remains the imbalance in the interest rate structure. Until this is corrected it would appear that bond market yields could face further upward presure, although much depends on whether the decline in short term U.S. dollar rates will spill over on to the Swiss interest rate structure.

If the volume of new money raised on the domestic market has been increasing this year, exactly the opposite holds true private placements.

last year, capital exports rose again to total SwFr27.7bn comwith SwFr 21.89hn in 1978. Of this som eSwFr 5.2bn (compared with SwFr 4.4bn) was accounted for by public bond issues by foreigners, SwFr 10.34bn (SwFr 8.97bn) was accounted for by private placements and SwFr 12.15bn (SwFr 8.46bn) took the form of banking credits abroad.

This increase was heavily infinenced by large sovereign issues by the U.S. in the form Canada and Australia early in the year. Bankers in Zurich say they now recognise that these operations strained the market

too far and they are not likely to be repeated.

Indeed, with the steady deterioration in the Swiss balance of payments position there is much less pressure than before on the banks to push capital exports. Also market conditions recently have made it difficult to organise new operations foreigners.

Suspension

The steady rise in coupons reached such proportions in March that the banks decided in co-operation with National Bank to suspend all new issuing activity on the public foreign bonds market for several weeks. The issue of private placements slowed to a trickle and at the same time the banks were asked to restrict the amount of each public issue to SwFr 80m and each private placement to

All this means that the volume of capital exports this year should turn out much lower than last, despite the fact that Swiss banks now bave a queue of foreign horrowers seeking to profit from the unusual combination of a weak currency and interest rates that are still lower than in other financial centres.

Looking ahead to the next few years, however, reveals a different potential problem on the horizon. This is the large number of private placements falling due in the early 1980s. At UBS, for example, these are due to triple in volume between 1981 and 1982. Offsetting the repayments with new capital exports will require considerable efforts.

Particularly in view of this, the banks are already deeply concerned about reports that the Government wisbes to impose a withholding tax on the interest payments on foreign bond issues and notes. These bonds and notes have until now been tax free, a situation which has been described by the country's new Social Democrat Finance Minister Mr. Willi Rilschard sa "immoral." Yet the bankers fear that mpreing such a tax would kill outcome is likely to be a tax at a symbolic, nominal level of

The Swiss stock market, mean while, enjoyed a record year for turnover last year. On the Zurich exchange it rose to SWFr 115.6bn from SwFr 99.2bn in 1978. Part of this increase was no doubt due to the lifting of the non-resident investment ban on January 25, 1979.

The following day, trading lasted no less than five hours as activity reached levels not seen for many years. Initially prices rose sharply but the new found freedom for foreigners to invest in Swiss securities did not result in a sustained rise in equity prices.

Foreign pressure

By October, when the franc was weakening on the foreign exchanges, selling emerged from abroad. The Swiss index thus finished the year at 332.0, only 7.8 per cent higher than at the end of 1978.

In fact bankers in Zurich continue to express some dis-appointment over the failure of the lifting of the investment ban to have any really marked effect on the stock exchange. With the currency still weak and yields on equities now much lower than those on bonds; the outlook for the stock market at present is rather dull and turnover may not necessarily match last year's record.

There were a number of innovations to report in the Swiss capital and money markets over the past year.

The Swiss Government switched in January to an auction process for the sale of its now bond issues. Under the scheme investors were invited to state the issue price at which they were willing to subscribe to new bonds. The Government then estabilshed a cut-off price at wh cohciitules II x TAOINN
at which it could sell all the
bonds on offer to the public.
This more flexible system
avoided the problem of prepricing, an issue which had
often led to tensions between
the issuing hapke and the

the issuing banks and the National Bank in the past. Elsewhere, the fluctuation in

interest rates saw the introduction to the capital market of floating rate bond issues. Credit Soisse launched at SwFr 100m.

11-year bond in January with
interest tied to the one year
time deposit rate. More recently Sodiric for the European Investment Bank had a floating rate element tied to the rate on first mortcages in Switzerland which is somewhat less volatile than the deposit rate. Meanwhile, the Swiss oGvern-

ment began issuing money market paper in July last year. Under the new National Bank law, the central bank is also now entifled to take such a step in its own name, but the money market is still very much in a fledgling stage and the day when it will become a well-used source of funds for all categories of borrower is still a loog way off. P.M.

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# Currency's strength aids investment abroad

THE SWISS economy has ments inceotives to foreign the Third World. Swiss pro-countries like the neighbouring always had to depende to a con-investors are concerned, Swiss ducts typically land on the Federal Republic. Production siderable extent on foreign custom. The highly industrialised and very prosperous domestic market is a good one, but only small. For many industrial and not a few service undertakings, Switzerland itself, with its 6mold population, account for only relatively modest share of total business. Big business --and often quite small-scale business — tends to be multi-national, even though the term itself is no more popular among the Swiss than anywhere else. An indication of the extent to

which Switzerland relles on world markets is given by official estimates showing that this year exports of goods and services. of around SwFr 58.44bn (\$33bn) should be equal to something like 35 per cent of gross domes-This gives only part o fthe picture, however, since no figures are avaialabla for tha substantial activity of operating subsidiaries in other countries. A sum put at about SwFr 11bn will flow into Switzerland in 1980 in the form of "capital and operational income," but this also represents only an element in actual foreign business in that no major share of earnings is currently heing repairiated.

### Forefront .

Direct investments, both in field projects and in the form of corporate acquisitions, are not the subject of stetististudies in Switzerland. Nevertheless, figures published in other countries show Swiss business to be in het forefront. Department of Industry statemants clai mthet Switzerland was probably the second higgest net direct investor in UK industry (excluding oil, banking and insurance) as of the end of 1977, while a year later it was the fifth biggest foreign direct investor in the U.S.

There are several urgent sons for Switzerland to continge its high rate of expansion abroad. The most obvious of these lies in the latter-day strength of the Swis franc. This has made it increasingly difficult for companies to keep up their exports to traditional markets - at least, at anything like economic rates. At the same time, it has made takeovers and construction work in foreign countries considerably despite the infletion gap.

Swiss companies often protest that new investments last year to a total of 883,837 abroad are not made in the compared with 898,062 in 1978. light of short-term monetary considerations. The fact is, of course, that the hardening of the Swiss currency and the softening of sucb others as sterling or the dollar have been long-term developments which are hardly likely to be reversed over a year or so. Also, there do seem to have been cases particularly in America where acquisitions have heen made because of the favourable exchange rate of the day and which probably would other-wise not have been seriously

As fer as foreign Govern-

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companies bave tended to regard these as of secondary importance. This means that they are not considered enough offset any hasic locational disadvantages. But the Swiss are known as sharp reckoners. ments—plus a genulnely TA and a set of attractive inducements-plus a genuinely welcoming attitude can tip tha balance in favour of a given region or country. This was the case in 1978 when the Hoffman-La Roche group chose Dalry in Ayrahire among a number of possible sites for a

proved very belpful. Proximity to major customers ias also been a decisive factor in the building-up of Swiss facilities abroad. This has been mncb the case with banking and insurance interests over the years, but also as manufacturing industry. as manufacturing spurred hy the foreign-exchange found it increasingly desirable produce on the spot.

had offered initial aid of £46m

and the local authorities also

The U.S. market has proved the big magnet here, though so here the UR and other European countries as a supply centre for the EEC region oras is happening increasingly in the watch industry countries like Hong Kong or Singapore to serve the South-East Esian markets.

There bave also been cases compulsory investment, investment, where Governments like those of Brazil or India have hrought pressure to bear for the estabishment of local factories. Only few companies are like Nestlé in having a chain of operating subsidiaries and affiliates virtuelly throughout

markets of industrialised countries rather than elsewhere.

Even if there were to be change in markets and currency Swiss companies would hardly be able to slow down their foreign investments much if they wanted to keep growing. Domestic Swiss demand is expanding, and will continue to expand, only very gradually, not least in the light of an elmost non-existent growth in population. At the same time, imports are rising fast.

### Reaching the limit

world-scale vitamen C plant after the British Government Furthermore, Switzerland is eaching it slimits of indusrialisation, a fact which both hinders domestic investments and puts a ceiling on local capital-goods demand. Land for industrial and commercial use ls becoming scarce and is already very expensive. The lobby and a ganerally more ecologically-conscious public object to the creation of new industrial capacities end are increasingly meking themselves felt.

> In any case, Switzerland is suffering from an extreme lack of manpower-published situations vacant, only a fraction the actual number of unoccupied workplaces, are about double the unemployment figure—and simply could not find the labour for many new projects, particulerly with foreign-worker reguletions as strict as they have been for the

past few years. In its turn, the manpower shortage in combination with some of the highest pay rates in the world has meent that wage costs are considereble, even if Switzerland has noticeably smaller fringe benefits than

Tensions

in the early 70s.

turn could unleash once more

population was at its greatest

Another aspect, that is per

baps still too radical for the

Swiss, is that the proposal

a free choice of employment.

many sectors which are heavily

Meanwhile it would also mean

of their residence permits from

No one wants to see a repeat of that story and the best way

of avoiding it is seen as a combination of efforts to improve the security of foreigners in the

country and continuing to

exercise some right of control

Certainly the basic starting point of all discussion in Switzerland of the foreigners

question remains the events of

1974/5. It is surprising to see

how frequently the subject

Last February, a new and

somewhat controversial apologia

appeared in the form of a re-

port by the Federal Consulta-

Foreigners' Problem. This

attempted to show that what

happened was not so much that

foreigners were forced to leave

the country, but rather that

large numbers of them left of

Many of those who had found

jobs in Switzerland did not

intend to remain there in the

first place, the report suggests,

citing e study hy the Zurich Sociology Institute which shows

that only 6 per cent of the Italian workforce originally

came to Switzerland with the

intention of taking up long-term

What-happened according to

their own free will.

residence.

Commission on

over new arrivals.

crops up, even today.

of the native population.

abroad comes cheaner from this

This does not mean that Switzerland sees itself as a dying industrial power. Gross National Product is still growing, blackt slowly, as is industrial output. Domestic invest-ments are rising even faster, by terms last year and anticipeted 4.4 per cent 1980. The engreen an estimated 5.8 per cent in real The enormous reservoir of skilled staff and knowbow Switzerland will continua to be built upon and made to pay.

The epproach, bowever, can industrial expansion; far more companies are increasing their already considerabla technological depth. If the number of persons working in industry and the crafts bas declined from 1.26m in 1960 to 1.17m in 1978, this is because there has a tremendous improvement in productivity and indus-

trial up-grading.

Today there are a good many products which it is simply no worth making in Switzerland. These play only e certain role in the spreeding of Swiss-owned operations abroad though. Most new plants being built or taken over work with definitely Swiss-style production programmes items with high added-value Components ar keen on broadening their exist ing range and entering worth while diversification sectors nuch of which can be achieved only outside Switzerland itself.

There is certainly no likelicommerce going into foreign mass-production basiness — or buying wildly at low prices to form old-type con-

John Wicks

# Number of foreigners falling steadily

THE NUMBERS of foreigners living in Switzerland fell again This was an extension of the steady decline that has taken place since the recession year of 1974 when the foreign population totalled just over 1m

Even so foreigners account for some 14 per cent of the population not counting tha ranks of the temporary seasonal workers and employees of international organisations such as tha UN agencies in Geneva. Seasonal workers, for example, numbered only 8,132 last December compared with 8,893 a year

earlier, but at the peak in August the total was over 96,000. Adding in these numbers swells still further the share of foreigners in the total population. In a small country with a high degree of n ational consciousness such as Switzerland they are extremely con-spicuous. It is therefore hardly surprising that the issue of foreigners has remained a highly

charged political question.

Some of the venom has, none theless, gone out of the issua with the decline in numbers in-volved. That this is so is shown by the poor sbowing of the antiforeigner parties in last year's general elections. But the Swiss bave been involved over the past year with an (as yet unheld) referendum on the subject of the integration of the foreign population into Swiss society as well as with official revision of their own aliens' law.

In the event of e recession lt would be harder than at present to bring about a reduction in the foreign workforce.

As a counterweight to the

### Counterweight

referendum proposals the Government suggested a revision of the aliens' law. This is, by Swiss standards, e great step forward in liberality, hut it is much more tempered than the referendum proposals. For example, a foreigner would be able to claim permanent resident rights after five years in the country instead of 10 years as in most cases at present. He would be allowed to hring his family into the country after 12 months instead of 15 months at present. At the same time some of the present restrictions on political activity by foreigners would be lifted.

This more cautious approach probably reflects electoral wishes much better than that of the referendum. The important The referendum proposal which was originally launched by the Catholic Employees Movement, has, in fact little chance of passing a national vote. Some of the original sponsors have thamselves begun to have doubts. The proposal has been opposed by the Government and goes by Swiss standards a very long way in demanding new rights for

the commission was thet the immigrant labour. For example it would mean that within five recession unleashed consider years of being passed, the Government would heve to able uncertainty among the population. foreign workers, who bad previously pnt off their return home, decided to leave although there was no rescind the present law requiring temporary seasonal workers to return bome for a certain period each year. At the same time all foreign workers, immediate pressure on them to do so fro mthe Swiss side. including the seasonal ones, would be allowed to bring their These departures were then

simply not offset by new families into the country freely arrivals. In the decisive years of 1975 and 1976 only 46,000 and 45,000 naw residence perfrom the moment of their own mits were awarded compared with a figure es high as 118,000 during the "boom year" of 1968. The argument tends to beg This would have the consequence of increasing sharply the number of foreigners resi-

the question of why the reces unleashed so much undent in Switzerland, which in certainty among the foreign population. In part this was the very same political tensions due to the very limited legal as wera seen when the foreign rights of foreigners living in the country, but in part also it reflects a massive failure of the Integration process. This is something which the Swiss have never really attempted to would permit foreign workers

The Federal Government, for This is seen as endangering example, rejects all sense of responsibility for the social integration of the foreigner into dependent on seasonal lebour such as the hotel and catering the Swiss community. It says it cannot simply decree that this should happen. The responsi-bility lies instead with indithat foreigners had an auto-matic right to request extension vidual Swiss and foreigners in their homes and at their places

the moment of entry into the This is probably a fair point country. This, naturally, would on the part of the Government, but no one who has lived in reduce the employmant security point is that people still ramem-her, often with some sense of shame, the way in which foreigners left the country Switzerland can be blamed for doubting whether the Swiss in the street can really live up to this responsibility. during and following the 1974/5

### Nationhood

Such an assertion is not intended to be disparaging. It simply acknowledges the fact, which is fundamental to any consideration of the foreigners' problem, that the Swiss have, for historical and economic reasons, a much more highly developed sense of nationbood than most other people.

They come from a wide range of cultural and linguistic backgrounds, they live in a country communications are difficult, even today, and which is not blessed with an abundance of natural resources. The country's success in achieving one of the highest living standards in the world comes only from a tremendous, concerted effort on the part of all its

people. It is natural that they should guard this achievement jealously. Switzerland is like club made by the Swiss for

Outsiders, and this applies to foreign executives just as much as street sweepers, are welcome participate as associate members, hut joining the club is another story altogether. Whataver else happens to Swiss aliens policy, this is a fact that

will not change. Peter Montagnon

# Basle-Chemistry, **But Not Only** Chemistry

of Chemistry - and thus an industrial town par excellence. Even in a strictly economic sense this applies only to a certain extent, however. If we think of Basle as a polis - a political and social entity - it is still clear, even today, that the town owes its existence to an advantageous position at the intersection of several different cultures. Traffic, along with commerce, banking and insurance, as well as a rich cultural life fostered by the university all these, quite as much as industry, have helped to shape the face of Basle.

asle is generally considered The Town

Chemistry is not the only industry in Basle, of course. Beside the graphic-arts trade, the main branches are textiles, metallurgy, machinery, and precision instruments as well as foodstuffs. Yet they all come a long way behind the chemical industry in importance, so it is quite natural to ask why so great a concentration of chemistry should have come about in Basle.

It began with dyestuffs for fabrics. The many different textile mills in and around the town doubtless had a decisive influence here. Textiles and chemistry are linked by textile finishing, which formerly was done mainly in the dyehouse. Since it required a great deal of water, dyeworks were set up along the banks of the Rhine, the Wiese and St. Alban's Pond where paper-mills were already established. The origins of the Basle chemical industry can be traced back to these users of dyes. That from these modest beginnings there should have grown.

four companies operating on a world-wide scale with a manufacturing programme extending far beyond the original range is the result of human determination, systematic exploration of the many possibilities offered by chemistry, and their exploitation through scientific research. The four big Basle chemical companies - Ciba-

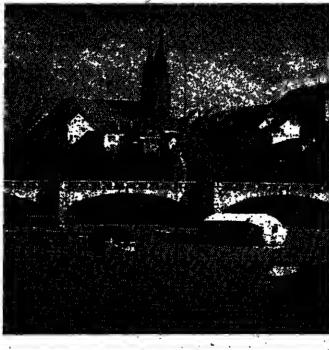
Geigy, Hoffmann-La Roche, Lonza and Sandoz grew from local manufacturing and trading firms

into large international groups. Their growth paralleled the expansion of their production programmes and their entry into one new area of research after another. Impediments to international trade originally induced them to set up production facilities in markets outside Switzerland. Both the increase in business volume and the growing complexity of international relations have inevitably. led to a high degree of autonomy for individual affiliates abroad, a development reinforced by the need to deploy research activities on an international scale.

A concentration of chemical industries like that in Basle suggests dark factories and polluted air. But visitors are surprised to find a well-kept city, rich in historical sites and in the midst of a green setting. The surprisingly high quality of life is due to the care which the people of Basie - and the chemical industry - take of their native environment. This has made it possible to hold the national exhibition of gardening and landscaping, the Green 80, on the outskirts of the town. Basle is therefore expecting more foreign visitors than ever in 1980 and will take great pleasure in welcoming them with traditional Basle warmth.

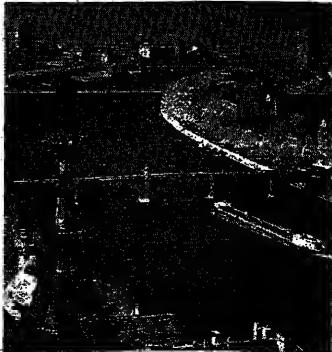
The most prominent visitor of the year will arrive in late spring: Her Majesty Queen Elizabeth II. Basle is pleased and honoured by this visit.

> Ciba-Geigy Lonza Roche Sandoz











Alfred Krebs Owner-Manager in a contraction de la contrac



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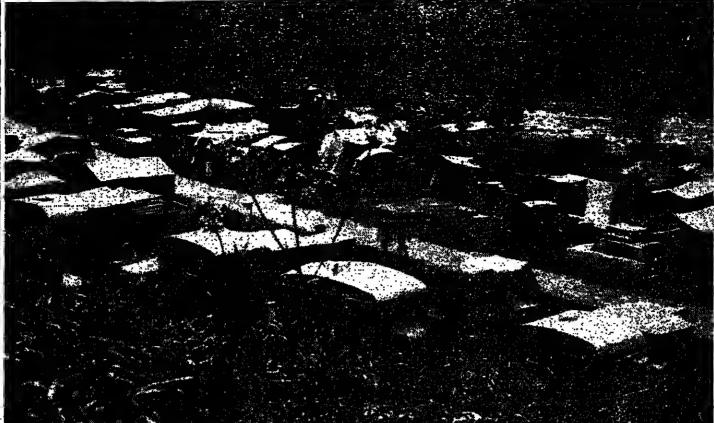


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# Tourism Board fights to allay fear of high prices

zerland "-this, slogan seems to have gone down so well with the Swiss tht despite a strong currency more people are stay-lng in their own country for their holidays.

In fact 55 per cent of holidaymakers in Switzerland were the Swiss themselves and hotellers

sions for entire families to keep the Swiss away from foreign

in Switzerland's holiday hotels. Many foreigners, it seems, would rather bave lesser would rather bave lesser tourism husiness is under-quality for less money. As a standable. Tourism is the esult hotellers have obeyed a self-imposed price freeze since dustry, 1974. But the increase in Swiss chemicals and revenues on holidaymakers since 1978 comcapital. It provides about 8 per hined with a slightly weaker cent of the gross national franc have led to moves within product and has an annual the industry to end the price

enough to reverse a slump in the Swiss to stay at home.

The campaign was helped by significantly higher inflation stays in Swiss hotels and chalets list of foreign tourists and account for almost 20 pe. cent foreigners to visit, using the zerland. Holland is second with 4.9 per cent of total overnights. Spain with their ski-high inflation was 1.7 per cent below that of 1978 mainly because of a poor winter when snow fell too followed by France with 3.6 ner cent. Prince with 3.6 ner cent. The fact that the Swiss are January.

The fact that the Swiss are January. the U.S. with 2.5 per cent.

### Heavy toll

The slogans that appear to have had; the least impact are the ones used in the U.S. Prospective U.S. visitors are told that "Switzerland works," and "Switzerland—its worth it."
hut the fall in the dollar's exchange rate against the franc seems to have taken its heavy

Although the dollar has recently hounced back against the franc, the image of Switzerland as a cripplingly expensive country has become so well entrenched that it will be some time before the U.S. again be-comes a focal point for Swiss tourism promotion authorities.

"GO ABROAD to travel but have created special facilities sales promotion department kong, to look at Zurich's tramspend your holidays in Swie- backed by attractive conces- will be created for the first ways set off a process that has time in the coming weeks to entice visitors, mainly from western Enrope, to Switzerland. It will also persuade certain After all, who but the It will also persuade certain wealthy Swiss can appreciate backward areas in the country to provide more facilities and

warmer welcomes to visitors.

Swiss keenness to holster the country's fourth largest inturnover of about SwFr 10bn. Because of the reluctance of

The other slogan which has foreigners to come to Switzer-done wonders tells Germans, land, tourism development "come to Switzerland, be our authorities have concentrated guest." It has heed effective in recent years on persuading enough to reverse a slump in the Swiss to stay at home.

The fact that the Swiss are tending to stay at home will be used to tell foreigners, "the quality of what we offer cannot be had if the Swiss spend holidays here."

The tourism industry will follow the example of other Swiss industries in turning more towards West Germany and Europe for expansion rather than towards the Uhnited States. The U.S. is judged to be a more difficult market to exploit hecause of the expensive image of wiStzerland. One avenue the National Tourism Board would like to develop is to attract special interest groups to visit Switzerland.

In addition to the usual hikers and mountaineers, such groups have in the past included train To undo the damage done to and tramways watchers and fans Swiss tourism hefore 1977 when of health spas and natural hot the franch reached its peak, springs. Such visitors can also Switzerland's National Tourism bring benefits including hig Board is going through an over-haul. A new marketing and group that came from Hong-

led to a multi-million franc contract to build a tramway net-work in Holland modelled on Zurich's system. Another set of visitors from

Britain came especially to study stones in Swiss graveyards, hringing new conscionsness of their cultural heritage to mountainfolk in remote central Swiss valleys and the prealpine

The targets set so far are to score at least 3m overnight stays by the U.S. Canada and South America compared with about 2.3m last year, and to get about 14m says by fourists from Germany compared with 13m last year.

### Poor winter

January.

Prospects for 1980 are rated bright because the winter sea-son was profitable and augers well for the rest of the year, particularly in view of the

More overnight stays by foreigners from all countries were registered during the first two months of this year. Stays by Germans rose by 23 per cent compared with an 8.9 per cent increase in stays by Americans. The tital increase in stays was 14,5 per cent, including a 17 per cent increase in stays hy foreigners and a 12 per cent in crease in stays by the Swiss.

These figures are still about one per cent helow the 1978 level. But there is a good chance that this level will be surpassed hefore the year is over. Business during March and April has added to the genral optimism.

Biri Khindaria



Financial Times



# THE

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Interlaken with the Eiger, Mönch and Jungfrau in the background

# Ethnic groups review their cultural heritage

SWITZERLAND IS out a forecountry's proverbial political stability and its fierceley independent stand on international gues, this recent remark by riter Ulrich Kagi may seem a strange one. It is none the less strictly true. The Swiss Confederation is an accretion of highly individualistic States with few natural frontiers to the outside world, with oo single unifying Church or ideology and—most important of al — with four national languages. Its federal constitutioo is in a state of permanent flux, and the institution of direct, rather than Parliamentary, democracy obviates mooolithic Government What happens in and to Switzerland is oot self-evident.

Till

Kagi's axiom is also sympoto-matic of a more critical attitude on the part of the Swiss towards national structures. Significantly, it comes from a series of essays by various authors pub-lished by the Nouvelle Societé hand by the Nouvelle Societé.

Helvetique under the general
file of "The Swiss Between
Veration and Hope." Now that
Switzerland has largely left behir the bedgehog mentality so
natural to it in the troubled first half of this century and is leav-ing behind the self-satisfaction fited by the subsequent eco-somic boom, it is taking a much

this is less a matter of ethnic ethnic strains within a giveo phone book shows how many easter former "alémaniflues" have land. furned in good "romonds." In

### Boundaries

per cent of Swiss were German peakers, 20.1 per cent francoshone and 4 per cent of Italian mother tongue, with a tiny almority of 0.4 per cent speaking Romansh, a Romance language used in parts of the Grisons. Languages are not recessarily separated by caneccessarily separated by can-boundaries; Valais, Fri-bourg and Berne are all the the beginning of last year, bad

home of both French and Ger-man speakers, while the Grisons represented and understood in capital to be made more attrac-is tri-lingual German/Romansh/ Berne and feared a loss of their tive to noo-German-speakers by

sened, the internal ethnic early this ceotury—and Fri-duestion has come to assume a bourg is oow seeing a growth particular importance. In fact, in its German-Smiss minority agaio. German Generally speaking has been gaining differences that ooe of German has been gaining languages. There are various ground at the expense of French, not least as the result inguistic group, whereby a of faster economic and demo-glaoce in the Lansanne tele- graphic growth in northern, eastern and central Switzer-

In recent years resentment has agaio been growing on the part of the French-speaking At the last count some 74.5 minority. This found its most drawn-out battle by part of the froncopbone population of Canton Berne for secession from the mainly German-speaking and Protestaot canton and the establishment of the "République et canton du Jura." The separatists, who

cultural heritage.

come to an end. Today, the oot particularly polyglot:
attempts by the erstwhile Io Parliament there is geografic attempts by the erstwhile Io Parliament there is geoer-separatists to convince the ally a very fair division between oeighbouring South Jura to follow their example are much less of a French-German con- in the National and States frontation, the opposents now Conneils sees to this in the case frontation, the opposents now being the pro-Berne franco of elected politicans, while the phones rather than the authorities of the old canton.

Despite this, a recent out-break of violence in the southern Jura village of Cortébert has led to new ill-feeling between Switzerland's two major language groups. In March the Rassemblemant Jurassien, the separatist organisation instrumental in forming the new cantoo in the north, held a provocative meeting in While most Swiss call down a plague oo the houses of both the belligerent parties, German speakers look with most dis-favour at the battery of arms the apparatists had brought with them and francophones are ontraged at the obvious partisan behaviour of

The creation of the small canton of Jura has given rise to another political argument which could cause contention between German and French language groups. If an area the size of the Northern Jura (and only part of this) is to become a full canton—with two States Conncillors in the rederal Parliament—why, local politicians have asked, should there not be an upgrading of Switzerland's existing semi-

### Control

This applies particularly to Urban and Rural Basle (which, ironically, split up in the last century), both of whom with lerge populations. If these were to gain full cantonal rights, doubtless the other semi-cantons (Obwelden, Nidwalden, Appenzell-Ausserthoden and Appenzell-Innerrhoden) would want to join in, regardless of their. much smaller size. All of these are, of course in German-speaking areas, so the States Council would be more subject than ever to "alemanique" control.

While it looks as though the semi-canton horse will prove a non-starter; there is already not a little concern on the part of linguistic minorities at what is felt to be excessive use of German in Government Between 90 and 95 per cent of all administration documents are said to be produced in German, oot least because of the high percentage of Bernese working in the Ministries. There are frequent calls for greater original use (not just translathe bubble breaking

tioo) of French and Italian in

the establishment of French and The language frontiers are not immutable. The cities of beeo set up, the fight for a enough, local authorities in Friedrich and Bienne for Free Jura goes on—much to Switzerland disapprove strongly omic boom, it is taking a much fribourg and Bienne, for example, experienced a massive with outside pressures less influx of French speakers from the dismay in particular of the of teaching in other national German-speaking Swiss in other languages. And as a recent parts of the country who had parts of the country who had survey showed—to the amaze-voted in support of secession ment of many Swiss—the man in the hope the violence would and woman in the street are

> the kaoguage groups. The Americao-style division of seats Council, voted in by the two Houses of Parliament - traditionally contain two francophones and occasionally a Ticioese or Grison.

### Delighted

This year's President, Georges-André Chevallas, is a Romaod. while the new Federal Councillor Leoo Schlumpf delighted his audience by saying the Bernese commune of Corté-bert—and was subjected to a befty attack by pro-Berne locals while the Bernese can-tonal police turned a blind eye. considerations: Foreign Mini-ster Pierre Aubert, for example is definitely less popular with the German-speaking population (including Parliamentarians) than in the Romandie.

Apart from all political fac-tors, the success of the Swiss-Germans in business does not add to their popularity else-where. Industry and commerce in French-speaking Switzerland and the Ticino is pretty well in the bands of German-speaking interests, a fact which particularly riles the Romands. They and the Ticinese are all too aware of the patronising as tion that the "Latins" enjoy life more by being less pushing — and by implication less able. view charm and wine as being incidental rather than central to existence. An interesting case in point

arose last month with the engineering company Ateliers de Construction Mécaniques de Veney A Zarichhand shire holder announced that he was intending to sell his stake. Since there was no interest in a pur chase in the Suize Romande, he made it clear he was pre-pared to sell the shares in German-speaking Switzerland, one possible buyer being the ex-Bally proprietor Werner Rev. There was such consternation at an old-established—and highly successful—Vaudois company joining the long list of those controlled by Swiss-German interests that a Lausanne bank consortium decided to make an offer.

The problems between the language groups therefore exist and are not exactly dwindling. But a real crisis, as in Belgium or Canada; is hardly pending. even though further unpleasantness in the Jura will not do the French-German relationship much good. To quote another anthor, George Mikes, Switzerland keeps together by surface tension. There is no fear of

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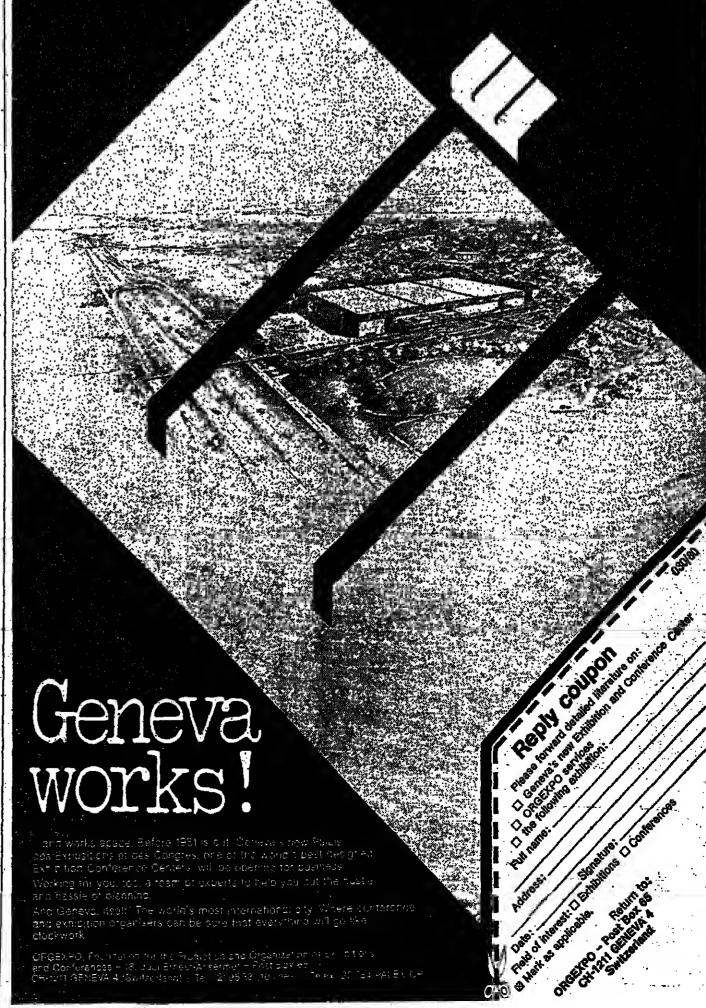
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# Watch industry pushes for a share of electronics market

FOR YEARS now Switzerland's land itself. Of the approximately Watchmakers were faced at the same time with a technological. world competitors. The industry nternational export market in watchea and watch movements. But a radical restructuring of is not wholly indicative of the production programmes and of individual companies has been necessary and further—likely often to be painful—changes are

At first glance, the retrenchment of the Swiss watch industry over the past years looks like a aad decline. The number nf production units dropped from 1,278 in the mid-sixties to well under 900 by the late seventies. In the past five years alone, the industry'a labour force bas sbrunk from 66,000 to substantially below 50,000. Last year production in Swiss factorics bad dropped to its lowest level since 1964, at least according to combined figures for the watch and iewellery sectors. Exporta were n absolute values 12 per cent behind those recorded five years

This overall picture is misleading, however. It fails to show the shift, particularly marked in the past two or three years, towards higher technoogy products, . This applies specifically in electronic watches and components. The Swiss are rather late in clambering on this handwagon, partly because of their great success in the past traditional mechanical watches, partly hecause of the lack of a major electronics industry in Switzerland comparable with those of the U.S. or Japan. After an initial period of scepticism-older industry executives first viewed electronic watches more as a gimmick for American department store business than as a serious line of time-pieces—the penny dropped and the swing to the

Last year the industry's R and D budget of an estimated SwFr 120m (\$68.6m) went largely towards developments in the electrooics sphere. The enormous effort which has already gone into this sector has today for over a quarter of all Swiss watch exports.

### Pationalisation . .

While this has meant a massive inection of capital into manufacturing companies, it has contributed also to a consider-able rationalisation of production. At the same time there has heen much progress in milling, machining and assembly methods in the mechanical sector, leading to a doubling of

productivity since 1965.

The undetailed statistics for the industry also conceal the watch groups outside Switzer-

most famous industry, has been 82m pieces made by these condogged by crisis conditions, cerns in 1979, almost 30m were made abroad. By using countries like Hong Kong (itself the revolution, a startling rise in biggest single market for Swiss the Swiss franc exchange rate watch exports), Singapore or and the emergence of new Taiwan, the industry is able to tackle Japanese competition in bas not gone out of business, markets which would otherwise however, as some pessimists be closed to it. Thus, the 17 per were forecasting a few years cent fall in Swiss production ago, and indeed still leads the last year and the 5 per cent. last year and the 5 per cent. decline in exports ex-Switzerland to SwFr 3.26bn (\$1.86bn) fate of the industry.

in the rate of decline in pro-

### Bright future

All this is not attributable wholly to the hurgeoning electronics sector. The industry is far from writing off the mecha-nical watch, still by far the most important product, and is convinced that a balance will be reached between these products and the electronic models, Mechanical watches, particularly in the higher price categories, were much in evidence at the European Watch, Clack and Jewellery Fair in Basie this month, If the export of anchor watches continues to fall, this is because of a sharp rise in the export of anchor movements. High-quality mechanical products at premium prices seem assured of a bright future.

The same can hardly be said for the cheaper pln-lever, or "Roskopf," watches. Exports of the country's labour force of these were down, in early oumber of vacancies far exceedby some 60 per cent on the level two years before. Spokesmen of this once very important branch of the industry, the value cal and electronic watches and —bave expressed the opinion movements rose by over 120 per that Roskopf production will cent. These newcomers account soon find its level. As yet this is showing few signs of happen-

The move of the Swiss watch industry into new and more capital-intensive operations bas had two main results. First, there has been a need for large financing programmes to fund the new developments. This has led to outside companies participating in the watch needed money with them: Examples are the stake of

the Siber-Hegner trading house Sociétě in Société Suisse pour l'Industrie Horlogère (SSIH) the makers of Omega and Tissot watches, or that of Desco in fact that there has been a maor Schulthess and Girard-Perre-build-up of capacities by Swiss gaux. In February Sapbir SA

For this year Swiss operations look rather better on the whole. The latest industrial prospects survey, published this month by Union Bank of Switzerland, speaks of "rather more confidence" on the part of the watch industry. Although total order book volume remains low, new orders showed a remarkable annual increase of 13.2 per cent for the third and 43.3 per cent for the fourth quarter of last year. By the final quarter the industry was report-ing a modest 2.4 per cent rise in turnnver compared with the corresponding 1978 period. And there was at least a slowdown in the second half of last year



The same considerations bave

had the effect of bringing the traditionally bighly independent companies together for such self-help programmes as that for the development of new electronic watch components. To cost SwFr 45m (\$25.71m) over a four-year period and be sup-ported by Government funds to the tune of one-third of this sum, this is borne by the component manufacturers Asuag. SSIH. Brown Boveri, Portescap and Faselec and Is open to any other undertakings which might

subsequently want to join in. The other main result has been to narrow the base of Swiss watch production. The small man, hitherto the backbone of the Industry, is finding it increasingly bard to get along at a time of growing standardi-sation and technological change. The major manufac turers, too, are bardly likely to be looking for new manpower. A further loss of 5,000 jobs or so is seen as probable.

ing the jobless total, this poses a problem. The watchmaking industry is highly concentrated in the valleys of the Jura, where meant that in the past three of whose exports now accounts there are few other jobs availy years—comparing exports for only 4.3 per cent of the able. The Federation of Swiss overall total—though the share those for the corresponding in volume is of 22.7 per cent, industrialist Luc Tissot, have period of 1977—sales of electri-so great is the price difference been publicising possibilities in been publicising possibilities in the so-called " region horlogere" - an exbaustive report and guide was published only this month — while cantonal and municipal authorities are also valleys less of a monoculture.

The same process is taking place within watch-making groups. Something like 6 per cent of industry turnover i now accounted for by diversified (i.e., non-watch) operations, it was stated last year. This percentage seems certain to grow substantially in the near future. The bigegst single watch and watch-component concern, Asuag, is already looking forward to a share of about 20 per cent from such activities in



Swiss watch makers at work



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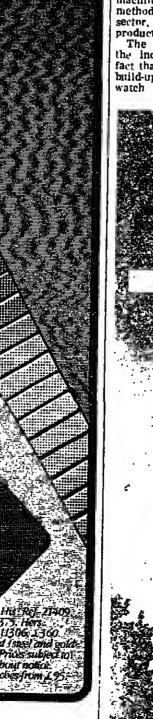
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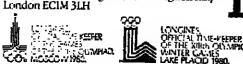
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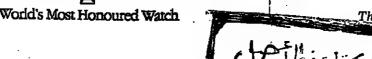
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The headquarters of Rolex of Geneva and two of its products

### SWITZERLAND XI



The Government has to tread carefully because of a strong anti-nuclear lobby. Here, demonstrators make their feelings known at Olten, near the Gosgen-Daniken plant

# Government seeking sharp cut in energy consumption

and the governing Federal sources for only 1 per cent.

Council is said to have an urgent nation-wide decree waiting in a drawer if emergency measures to reduce energy waste are felt to be energy consumption tax of 6 per cent an dnew energy to the commission is that all energy sources should be developed simultaneously, an energy consumption tax of 6 per cent would be developed simultaneously.

Swiss energy needs published early last year estimates that severe energy shortages may arise in about 10 years' time if energy consumption is not reduced sharply and steadily. It has been estimated that, with appropriate conservation measures, Switzerland can

reduce its energy needs by at least 8 per cent or as much as 25 per cent by the year 2000 without cutting back on industrial activity.

The commission forecasts a 25 per cent annual increase in terra-calories by the year 2000 bringing in its wage being implemented in 1983 or 170 per cent increase 1984.
In oil imports. This would meen The Association of Swiss Elecdependence of foreign energy tricity Works estimates that balf

SWISS AUTHORITIES look sources of 87.5 per cent, with apprehension at their hydro-electric power accounting is lost en route from the source in the Berne region. The open-country's future energy needs for 9.5 per cent an dnew energy to the user. Industry, particularly dates could be 1984 and

warranted.
An influential Government back the share of oil in total commission which is currently energy use to 48 per cent by revising a keynote study on the year 2000.

Sbares of other energy sources would be 13.2 per cent (1975; 3 per cent) for nuclear energy: 13.3 per cent (3.4 per cent) for natural gas: 12.3 per cent (13.4 per cent) for natural gas: 12.3 per cent (13.4 per cent) for hydrogen for hydrog cent (13.4 per cent) for bydro-electric power, 4.8 per cent (nil) for new forms of energy: 4.2 per cent (1.5 per cent) for coal and 4.2 per cent (2.1 per cent) for wood, industrial wastes etc. refuse,

Still talking

The Government is still deenergy consumption if no steps bating the main outlines of an are taken, to reduce energy energy policy for the rest of usage. Total energy demand this century and new legisla-small then reach 270,000 tion is nulikely before 1982, with the necessary regulations

to the user. Industry, particularly the construction sector, is increasingly turning to energy conservation problems and is investing in more efficient uses

of energy. Swiss engineering companies bave joined builders in seeking new solutions to wastage problems through improved measurement and conapplication of beat pump technology.

A programme to promote lowenergy bousing sponsored by needed.

The State is co-operating with private companies to promote research and development in the energy conservation field to develop new processes and bardware. In one of the schemes suggested by the Government's Energy Commission energy saved could account for 8 per cent of the country's total needs in the year 2000.

more nuclear energy plants to increase the share of such energy to 13.3 per cent by the year 2000, compared with 3.4 per cent in 1975, are still being sharply opposed by environ-mental groups. However, a referendum last year rejected an initiative to cut back nuclear construction while another gave Parliament the final authority to take decisious instead of local authorities. As a result, nuclear energy remains a major plank of energy policy.

Occasional explosions at nuclear construction sites or near operating stations remind the Government that it must move ahead very prudently. Government focus is now on devising reliable ways to ascertain, at the planning and building stages, the security of pro-posed plants against risks of accident. The disposal of nuclear waste materials also remains : a : key unresolved

Switzerland has four operating nuclear power stations—two at Beznau, one a Muhleberg and another as Gosgen-Daniken. The Energy Commission, which predicts a 3.4 per cent annual increase in electricity consumption up to 1985, recommends the opening of at least two new nuclear plants in addition to one at Leibstadt, which has been approved but bas yet to be built. One of the two new plants would be at Kaiseraugst, near

A group of 10 existing electricity works in Switzerland estimates that demand for electricity will grow at 3.7 per cent a year up to 1985. It has called for one new nuclear plant in addition to Leibstadt by the winter of 1984-85 and a further trol instruments and innovative unit towards the end of the 1980s. The controversy raging currently is whether the Kaiseraugst unit is really

Swiss banks does not seem to have been successful, but the construction industry is making law making it compulsory for great efforts to improve bome insulation. Methods used include positioning buildings to reduce shadowed areas and using new techniques such as solar techniques such as solar who might suffer from an accident. The nuclear and electricity generating industries and insurance companies say the plans to introduce unlimited liability go far beyond those in other countries.

Switzerland is trying to develop all feasible energy sources to reduce oil imports. Out dated hydro-electric stations will be renovated and new investments will be made to based energy, and the search for indigineous oil will be stepped up. One estimate puts annual spending on solar energy development at more than \$60m with the number of operating units doubling every year.

### Oil deposits

Oil has been found in the cantons of Lucerne and Berne but the reserves are too small be meaningful in long-term calculations.

Switzerland has trouble keeping its energy demand at exist-ing levels, let alone reducing it. In 1978, the latest overall figures available, total energy consumption rose by 5.5 per cent to 673,800 terajoules, while Gross National Product in-creased by only 1.2 per cent in real terms. Overall demand was four times the 1950 level.

During the first balf of 1979, electricity demand rose by 4.2 per cent compared with the same period in the previous year, and natural gas demand rose by 12.9 per cent. Imports of crude and refined oil pro-ducts fell by 4.1 per cent.

Power ontput also fell by about 4 per cent leading to a drop in earnings from power exports. In 1978, such exports were worth \$130m compared with \$250m in 1977. Power ontput is expected to recover this



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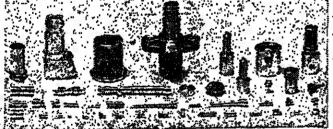
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### SWITZERLAND XII

Chocolate industry willing to pay

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# Cheese makers face tough competition

in the face of increasingly strong competition from lowerpriced foreign cheese and con-stantly rising production costs. The industry's fate is closely tie dto the state of the milk in-dustry, whose health in turn depends to a large extent on the minimum price for milk guaran-teed by the Government as part of its farm incomes support

policy.
The lion's share of the cheese industry is taken up hy hard cheeses which account for threequarters of total cheese produc-tion, the rest being made up of emi-hard, soft and processed cheese. As a result, the most powerful influence in the cheese sector is the Swiss Cheese Union (SCU) which was created to 1914 jointly by milk

producers, cheese makers and cheese exporters. Although constituted as a private body, the union is subject to government regulations obliging it to act as semi-public anthority regulating the cheese industry. The union's key task is to buy nearly all output of hard cheese at a price that covers producers costs. Its 56 memoers, including exporters and distributors, are then obliged to sell the cheese, when proneriv aged, at prices set by the SCU at the highest possible levels. The SCU also gives mar-

keting help by mounting pub-

licity campaigns, providing husi-

ness contacts and handling trade-mark protection. Last year was a period of shocks forthe union. It began the year with moderate stocks and a rising consumer market hoth at home and abroad. It hen ran into foreign reductance to huy expensive Swiss cheese at a time of mounting dairy product surpluses in Europe. To make matters worse an unforeseen milk boom in Switzerland caused severe market imbalance. To prevent milk producer in-

THE SWISS cheesa industry is creased the price of milk to 79 cheaper cheese oo foreign mar-struggling to hold its own in centimes per kilo last autumn kets.

both home and export markets making Switzerland the most The SCIFs annual report for the 1978-79 period says that the Tokyo round trade negotiations produced contradictory results for the Swiss cheese industry. The U.S. is currently expensive place in the world in

which to hav milk. Aggravated by cheese over-production throughout Europe, the near balance between cheese demand and supply in Switzerland at the start of last year changed to a sharp oversupply situation by the year

### Half is exported

Usually about half of Switzerland's cheese output of about 120,000 tonnes is sold abroad. Last year persuading foraigners to buy Swiss cheese was particularly difficult and the SCU was forced to offer qualities lower than the best at reduced prices. despite contradiction with the Swiss imege of a seller of highquality expensive cheese. The quality reductions were made to relieve pressure from cheese

surnluses on the home market. The result of last year's so far unusual situation—which might become a longer term one if the Common Market's dairy products surpluses contime—was to bring calls in Switzerland for state aids in the binter and cheese sectors. The CSU says in its review of last year's hard cheese situation milk produced every year are that such aids are "an agro-political necessity if Swiss agri-gulture is to be protected."

It notes that in its recent to 27,000 tonnes. Cheese plays a vital role in the Swiss dairy economy. About 1.3m tons of the 3.5m tons of milk produced every year are converted into cheese employing techniques that do not use a chemical process. Both the SCU and Government inspectors

It notes that in its recent talks with the Government "certain differences of opinion" could not be avoided. "The making of cheese according to the best rules of the art is not a sinecure," it adds. Cheese-making demands hard work and creat expertise. Yet, despite its high quality, there is a limit to how high a price can be asked

for Swiss cheese.... . The main demand of cheese producers le for disguised state subsidies probably through price supports, to strengthen

year compared with 1978 made hy producers to maintain their foreign market shares. In contrast, imports of chocolate products increased further last year and foreign chocolates now account for 13.7 pe cent of the Swiss home market

Main complaint

Exports increased by two percent in volume terms but their

value fell hy five per cent last

THE SWISS chocolate industry is cautiously optimistic about

scoring a generally satisfactory

Chocosuisse, which groups almost all the main Swiss chocolate makers, says 1980 is likely

industry provided that economic recovery continues in Switzer-

land and other European coun-tries, and that exchange rates remain reasonably stable.

Last year was characterised by a small increase in chocolate

product sales both in Switzer-land and abroad but turnover

fell slightly because of lower

prices, cost increases and unused capacity.

The fastest export increases were in Saudi Arabia, which has

been buying rising quanities of deserts containing chocolate as

part of its schools' feeding pro-

the international cocoa agree-

ment bas brought new uncer-tainty to the industry which would by far prefer to see

generally stable cocoa prices even if that means baving to

The fear now is speculation will relen stronger on world cocoa

markets causing more price

instability. Some chocolate makers such as Nestle are even

willing to live with a producers'

cartel, such as the one for coffee, if prices settle down to

The Swiss bome market for chocolates is thought to bave

reached saturation and the focus

of producers must increasingly turn to seling abroad. Swiss

chocolate consumption per head

per year rose from 9,1 kilo-grammes in 1978 to a record 9.2 kg last year. Despite their fondnes for swaet things, the

Swiss are not expected to eat much more chocolate this year. The Swiss already consume

more chocolate per head ner

vear than any other nation. Norway stands second in the league table with 6.8 kg fol-lowed by Britain and Belgium

with 6.6 kg each. Italy is last with only 0.9 kg.
Part of the Swiss chocolate industry's moderate optimism

stems from its loog record of innovation and its hope that toprists visiting Switzerland and people living in the

frontier regions will bny more Swiss chocolates. Such sales have become increasingly

important in recent years reaching 20 per cent of total

sales in Switzerland last year.

Almost half of all chocolates sold in Switzerland are in the form of bars but cream and

other stuffed chocolates are

now gaining ground. Total chocolate product sales last year were 62,929 tonoes of

which 12,926 tonnes - about

with higher price levels.

The breakdown last month of

bring moderate gains for the

performance last year.

The industry's main complaint is that foreign competitors enjoy cheaper inputs. One reason for concern at the break-down of the cocoa agreement is that higher cocoa prices might force Swiss chocolate-makers to further raise prices in foreign markets, thus eroding the recent advantages gained because of e weaker Swiss frane, and causing fall in overall consumption volume. Another result of rising cocoa prices might be a fresh boost for cocoa substitutes or

the development of products containing less cocoa. The ability of the chocolate industry to maintain and expand foreign market shares, depends heavily on general economic conditions. For example, even price decreases last year did not succeed in raising sales hy large enough quantities to bring chocolate plants to work at full capacity.

France supplied ahont 30 per ent of Swiss chocolate imports last year, scoring a spectacular increase from just 239 tonnes cent of imports and West Germany third with 17 per cent. Britain, in fourth place with 14 per cent, has seen a 50 per pleasure," the report adds.

cent drop in its exports to Switzerland from 2,338 tonnes cannually in the 1973-77 period i in modern management tion. These partners have methods, more research into created a new firm, FATT'S S.A. to 1032 tonnes last year. .

more if cocoa prices settle

But last years performance new products and better which handles questions relatively and distribution ing to trade marks, patents, exported in 1978.

The main reason for the More co-operation among command provides help to the agrochocolate industry's satisfact panies should also be developed food products and tourism into with itself last year was in create new food processing distribution. tion with itself last year was thet it increased domestic sales by 1.3 per cent after a 6 per cent drop in 1978. But imports increased at 5.9 per cent a year

rata of increase in exports.
Interfood S.A., the second largest Swiss food products group, which includes the famous chocolate makers famous chocolate makers
Tobler and Suchard, is abzost
surprisingly optimistic about
tha chocolate industry's prospects. In a report Credit Suisse, one of Switzerland's three main banks, Interfood directorpanks, Interfood director-general Jorg von Wyss says, "in contrast to black gold (oil), the sources of brown gold (chocolate) wil be far from being exhausted in the year 2000."

He cites a Uolted Nations report saying that the world chocolate industry should grow at an annual rate of 6 per cent up to 1985, including a nearly 21 per cent growth rate for the industry in developing countries.
"The chocolate industry has

a bright future and our optimism is largely justified," says an Interfood report. Chocolate is a balanced food and has deeply penetrated peoples' tastes, partly because of its identification with sweetannually during tha 1973-77 ness and tenderness. For period to 2,300 tonnes in 1979, modern man in a world Holland was second with 20 per dominated by violence, the pleasantness, lightness and a moderate.

The SCU's annual report for

replacing its anti-dumping policy by a system of quoties which will strengthen the grip

on the U.S. market of makers of

cheaper cheeses. Nothing has been achieved which might help

to reduce the price of Swiss cheese significantly in North

Swiss exports of cheese.

volume terms fell by 6.1 per cent last year to a total of 44,473 tonnes. The Common Market remains the biggest customer, buying about 82 per

cent of total Swiss cheese ex-

Total sales of hard cheese during the first half of the 1979-80 financial year were

41,000 tonnes, up by about 5.9

per cent from the 1978-79 period. Sales at home were

14,800 tonnes, drop of 3.4 per cent compared with same period

in the previous financiel period,

while exports increased by 12.2

keep a close eye on production

methods to ensure that the out-

put is of high quality. The cheese is made in about 1,500 small village dairies run by

trained master cheese makers.

quality that is expected to en-sure the survival and profit-shifte of Swiss cheese making.

That the Swiss are the world's

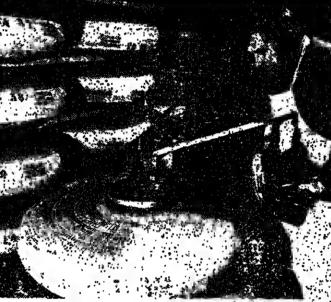
blegest eaters of cheese also helps. They are a record 12.48 ke of cheese per head in 1978.

up from 11.04 kg in 1974.

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per cent to 27,000 tonnes.

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### SWITZERLAND XIII

# Outlook improves for chemicals sector

THINGS ARE looking up for and the marked decline of the industry with its important ment statements that chemical the Swiss chemical industry. Swiss franc from the heights it petrochemical component, the industry exports were up by no discovery reached in September, 1978. Swiss companies experienced less than 14.3 per cent in the discovery reached in September, 1978. improvement in 1979 over the unsatisfactory showing of the previous year, while 1980 has got off to an even better start. Although profit levels still leave much to be desired, sales—and with them capacity use rates lave been rising noticeably.

As a result, group turnovers of most Sfiss chemical multis were down by some 8 to 12 per cent, even though foreign sales in terms of local currencies bad glum feelings induced by the poor figures for 1978 have given way in a muc hmore positive outlook.

As a result, group turnovers of most Sfiss chemical multis were down by some 8 to 12 per cent, even though foreign sales in terms of local currencies bad been satisfactory to good. Group profits of the leading Basla undertakings fell by between 16 and 40 per cent.

stabilisation of exchange rates

The over-valuation of the currency had made 1978 " a difficult and at times even dangerous year" for Swiss chemical manufacturers, Dr. Alfred Hartmann said in his presidential address at the last annual meeting of the country's Society of Chemical Industries.

between 16 and 40 per cent. While there was no great A decisive factor in the While there was no great industry's upturn has been the leap forward in orders last year -unlike the German chemical

no oil-linked jump in demandnn its feet. Swiss products against became ore competitive on world markets, which in any case bad tended to expand again, and the gap between foreign-currency sales and Swiss-franc income narrowed substantially.

Production growth averaged 4 per cent for the year; though was little more than that for the previous year, output accelerated in the second half to annual rates of 11.3 per cent in the third and 8 per cent in the final quarter.

Turnover of the hemical industry admittedly up by only 2.7 per cent over the year. This seems very modest at first glance. However, growth had been of kept profits below 1977 levels only 1.5 per cent in 1978. Also, last year. in the last three quarters of 1979 annual turnover growth was of between 3.8 and 4.8 per cent. World sales figures for the major producers show a much mure accentuated turn-around. Group turnover of Ciba-Geigy was bigher by 11 per cent in Swiss-franc terms (or by 17 cent in local currencies) for the year, for example, while the twin Roche-Sapac groups and Saindoz reports consolidated sales up by 3.4 per cent in Swiss francs, or 10 per cent in terms of local currencies.

probable further improvement, at least in the first part of this year. Sales are bound to expand considerably as the result of a bound in new-order volume by 14.2 per cent in the third and 15.1 per cent in the fourth quarter of last year.

rise in business in the first months of 1980 have gained on sales has fallen substantially primarily in fields where the confirmation already by Governin recent years, chemical com- Swiss groups are already active.

January/February period over more favourable exchange rates the same time last year, with helped to put Switzerland back gains for every single product group. A similarly positive picture is emerging for synthetic fibres and filaments.

As yet at least, the npswing is not being fully reflected in corporate earnings. Prices are still under pressure, particu-larly in the pharmacenticals sector—by far the biggest single branch of the Swiss chemical industry. In February of this year, average export prices for Swiss pharmaceuticals were as much as 16.4 per cent below those for the same month of 1979. This more than offsets price increases in other sectors.
Insufficient price levels, growing costs and continuing losses
of income from foreign-

currency relationships will bave

### Bad news

This is bad news for an industry so reliant on technological Switzerland alone, the chemical industry spends well in excess research and development; worldwide, R and D expenditure by Swiss chemical groups prob-ably exceeds SwFr 2bn a year. In the pharmaceutical and agro-chemical fields, where most of the research activity is con-centrated, hetween 8,000 and 10,000 syntheses of active sub. third of total Roche/Sapac stances are today needed to sales are made in the U.S. and obtain a single usable product. It can take anything up to 10 of the years from the discovery of a groups, new active substance and its Recei

narter of last year. mental control of registration medium-term programmes seem.

First estimates of a further procedures and market prices. to be aimed at a retention or Although the rate of return

introduction to the market, this

panies have not felt able to cut back on development costs. The industry, more than any other, is forced to engage in a constant process of product replacement and the upgrading of technology.

The lack both of indigenous raw materials and a large national market has always kept Swiss chemical compar of a major engagement in bulk

At the same time, investments in new plant and participations In existing companies continue to run high. This concerns especially projects abroad. In Switzerland itself neither the land nor the labour is available for green-field developments, capital expenditures being concentrated on a further increase in added-value, on research and development facilities and environmental-control installaions. More and more money is being spent on building up foreign subsidiaries, partly for currency reasons, partly to be immediately present on major user markets and in some cases

at the behest of local Govern-While exports from Switzer land continue to grow, having reached a record SwFr 8.8bn (\$5hn) in 1979, an increasing volume of production is there-fore being accounted for by Swiss-owned factories abroad. This applies particularly to the the bigegst national market for Swiss chemical groups; over one-third of total Roche/Sapac

Recent years have seen major, direct investments and acquisi at a time of weakening patent tions bere, not least in the light protection and greater Govern- of the cheap dollar. Corporate of the cheap dollar. Corporate expansion of the U.S. stake, primarily in fields where the

more than one-fifth in the case of the Ciba-Geigy and Sandoz

chemical industry may be expected to consolidate its position

and aromas. . .

of the McCormick spice and tea

period to consolidate its position worldwide in its traditional uprations like pharmaceuticals—where the three big Basis groups meet 10 per cent of total international demand—and dyestuffs, where their world share is one of 13 per cent in value terms. Other speciality sectors include components and the

continue fast, recent examples include the Airwick household-products division of Cibs-Geigy, Roche's instruments activity or the move of Sandoz into the U.S.

Some of the new or intended moves are taking Swiss groups well out of their traditional spheres, as with the (hitherto unsuccessful) attempt by Sandoz to extend its U.S. feed opera-tions from Ovaltine, diet proddnets and snacks by a takeover

Generally speaking, the Swiss

include agro-chemicals and the Geneva-based flavours and fragrances industry, the latter meeting a probable one-quarter of world demand for flavouring But diversification will also



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A Swiss textile worker produces embroidered cotton fabric

# Strongest textile companies survive

IN THE past few years other Swiss industries, im-Switzerland's prestigious and ported goods tend to be far long-established textile industry bas seen some pretty lean made items—in many cases in times. Massive competition types or qualities for which no on export and domestic markets. the generally, sluggish state of consumer-goods . sector and . the high level of the Swiss a franc meant that annual production volume was below the 1973 index by the end of the decade. Exports fluctuated from year year, but the 1979 figure record SwFr 1.94bn (\$1.1bn) of SwFr 3.2bn (\$1.51bn) was still barely 10 per cent above

that booked five years earlier. The textiles and clothing industry, concentrated particularly in Eastern Switzerland. was shrinking fast, its total labour force dwindling to about half its former size in the short period from the mid-60s to the end of last year.

The industry now seems to have come out of the wood. The Darwinian process of natural nelection has meant that the trongest-though not oecesarrily always the largestcommanies have survived. Pron extent that the much duced industry of the 1980s doing more husiness than The more than 2 300 companies in evistence 15 years ago. Today's nersonnel problems Zentre not on the need for Zedrndancies hat on the shortare of manpower. There is Zimost no product group which is not selling more than a year

### Consolidation

Last year saw a turn in the Tortunes of the Swiss textiles and aparel industries. On the one hand, International demand Berked up enough to offset the pear-stagnation in domestic retail sales. At the same time, There was a marked decline In the Swiss-franc exchange rate. consolidate its efforts to intrease its export share in total Sales. Overall turnover of the fibres, fabrics and clothing (including shoes) sector is put at some SwFr 5hn (\$2.82hn) at least; of this annual figure, exports have risen over the past years from 50 to some 60 per

It bas not been easy to build up foreign markets. Indeed, many of these outside Western Europe have heen lost as a result of bigh customs barriers and the strong Swiss franc. At present, something like threequarters of all exports go alone to EEC and EFTA countries. Since Federal Germany alone takes nearly one-third of the export total, Swiss textile and clothing manufacturers have been very relieved at tha strengthening of the mark from 75 centimes in September, 1978. to the current level of about 55 centimes; the DM, not the dollar, is the industry's cur-

rency of reference. Swiss producers will have to continue to focus their efforts on foreign markets. Although retail sales of apparel and material have been growing in Switzerland itself recently, the country attracts a very large bolume of imports. These reached a peak of SwFr 4.69bn (\$2.65bn), again including foot-year, in 1979 and thus amounted over double domestic As in the case of many

below average prices for Swissdomestic competition exists. However, the fears entertained by clothing manufacturers only year or so ago of a floodingout by cheap Asiatic goods have not been justified; the main increases in imports of apparel (without sboes) in 1979 to a resulted in a surge in supplies from the neighbouring countries of West Germany and

Italy, not from the Far East. The need to develop exports rather than the bome market bas led to considerable efforts in the field of trade promotion. A major thrust has been with the expansion of the so-called Textil and Mode Center, a permanent exhibition of Swiss fabrics and fashion goods built at considerable expense near Zurich airport. At the time of its inception, a bad period for the industry, eyebrows were raised at such a whistling-inthe-dark investment; now exports are running at record levels the idea is accepted as

havine been a good one. Ladies' wear also bas a permanent showcase in Zurich's Fashion Center City, while clothing manufacturers present collections at seasonal shows like the Swiss Fasbion Weeks, the "Mod-Expo" Inter-national Ladies Fashion Fair (both also in Zurich) nr the Semaine Romande de la Mode in Lausanne.

Swiss manufacturers and the textile trade body Industrie-verband Textil were present last week for the first time at the Olympia-based Fabrex '80 with a special Swiss fabrics

Latest reports indicate how well attempts to huild up foreign markets have succeeded. In 1979, exports of cotton fabrics and industrial embrolderies reached record levels of SwFr 523.1m (\$295.5m) and SwFr 200.im (\$113m), respectively, while those of clothing other than shoes came to within a bair's breadth of the 1977 peak of SwFr 368.2m (\$208m).

The long-afflicted man-made fibres sector showed a recovery to reach an export value of SwFr 585.9m (\$331m), the best showing since boom year 1974.

The first months of 1980 look even brighter. Total exports of textiles and apparel, including footwear, were up by no less than 18.3 per cent io January/ February of this year as com-pared with the same period of 1979, with an enormous jump of 60.3 per cent for woollen yarns and 76.7 per cent for woolled fabrics. All branches of production with the single exception of carpeting—up in volume but in price—showed a marked improvement in foreign sales-

.Of particular importance to the industry is the fact that price levels are at last showing an overall rise—by an average 6.8 per cent over the two corresponding months of last year. This does not yet apply to cloth ing, but at least the sharp fall in sales prices which brought average price per kilo of ready-nade apparel down 10 per cent between antumn, 1978, and summer 1978 has allowed down than I per cent. As Mr. H. B. Meirhofer, mau-

aging director of the St. Gali company Stoffel AG, said in a recent article: "The textile industry is out of the doldrums." Even given the lack of lahour, increasing U.S. competition and the danger of new forces of the story of the danger of the danger of the forces of the story of the stor foreign-exchange disturbances, the industry is optimistic.

This optimism is based not per cent rise in output in calu-dar 1979 or the 7.5 per cent improvement in export value. It also arises from the fact that is so hard to come by, not least

and and a volume 17.2 per cent above that a year earlier; on average, new orders were np by some 13.4 per cent over 1978

At long last, too, producers are reporting a moderate increase in corporate profits. These are very welcome, not textile-machinery industries, the just in the light of improving existence of an excellent comcapital (or even actual cash drain) hutaiso to provide muchneeded funds for a further raising of technological standards and a further bettering of productivity. Although manpower

to an annual decline of less at the end of 1979 orders on in the wake of the Government's. strict containment of the foreign-labour force, there is no big move of capacities out of the country.

Apart from structural considerations, the producers have henefited from the strength of the local textile-chemicals and loog-insufficient return on munications system adjacent to major markets—and the sympathy brought them in their hour of need by the National Bank, public authorities and commercial banking system



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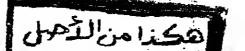
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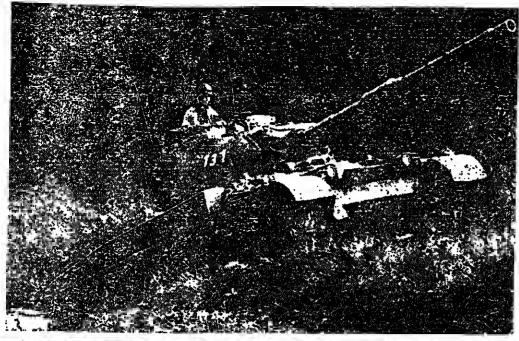
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The Swiss army on manourres

# New defence strategy by 1983

ALARMED BY increased East—Third World raw materials. Which can mobilise nearly soldier, being a professional in addition, households are ended for these countries are also 700,000 men within 48 hours. Soviet invasion of Afghanistan, threatened by the Warsaw The militia consists of three superiority over the hard look at its system of NATO alliance in conventional 32 years, Landwehr forces aged 20 to work in a team with other commonths. betweeo defence, foreign and foreign trade policies.

The existing defence strategy is based oo a federal Govern-ment report of June, 1973, which was reviewed by the Government in December last standing policy of "armed year and is currently being neutrality. revised. The Government has told Parliament that it expects to propose measures or a completely new defence strategy

the United States and the Soviet Union have a crucial 1970s has been slowly end serinusly eroded by increased armaments in Europe and by localised wars in distant countries.'

Growing moves to plece tactical nuclear weapons in "traditionel zones of tension" are likely to alter significantly the axisting stand off between East-West forces leading to new distrust and risk of war. it adds.

The industrialised countries might also have to use force to protect their access to vital

cinding the Afgbanistan inva-sion, bave made it necessary for Switzerland to review its long-

Neutrality-meaning strict evenhandedness between the two super-powers and their letely new defence strategy allies even in peece time—is itself not being questioned. But Notiog that relations between it is believed that Switzerland maneged to stay neutral in the two previous world wars beinfluence on the situation in cause its policy is backed by a Europe and on Switzerland's strong and well-organised demilitary role, the December fence network built upon an report says that "the very promisiog detente of the early "people's war" rather than on armed militia ready to fight e "people's war" rather than on a lerge, professional army.

### Several planks

Switzerland's defence system is built upoo several interrelated planks, including an armed militia, very mobile and high quality weaponry, past and low-flying aircraft and helicopter gun ships, an extensive civil defeoce network including underground nuclear shelters, and counter-espionage.

At the beart of the defeoce system is an armed militie militia system is that every

These developments, combioed with Russian interference io Third World countries in The Professional Interference aged 43-50. An auxiliary the country every year, adding women's corps performs admit to a sense of national identity in The Professional Interference despite the country's confederal officers who act as instructors.

> After an initial period of national military service, every male citizen is obliged to attend training courses varying from three weeks in a year for the Elite forces to two weeks every two years for the Landwehr and two weeks every four years for Landsturm uoits. Each male keeps an automatic rifle a uoiform and live ammunition in bis home. He takes shooting instruction and passes marksmanship tests every year.

The Government estimates that the militie system briogs an annual subsidy worth SwFr 500m (\$300m) to the De-fence Department from private enterprise which must pay its employees when they go for military service.

Militie officers—the highest rank is a colonel of a brigade perform administrative and nther tasks at their own cost at home, bringing buge sevings to the Government. Another significant advantage of the

33 to 42, and Landsturm forces patriots in different parts of The professional army consists structure and divisive language mainly of a fe whundred career groups.

The defence forces are divided into one Alpine corps, three field corps, including one mechanised corps, two infantry

corps, and an air corps. Because of the country's mountainous terrain, the key consideration is the use of mobile and very high quality weapons. it is expected thet a numerically superior and more powerful army would probably overrun the country but would not be able to maintain control without enormous cost becausa of attacks "wbenever possible and from all sides."

Light tanks, armoured vehicles, fast low-flying war planes and excellent communicatinns are considered vital for such a strategy. A major controversy blew up last year when a senior army official said the backbone of Swiss tank columns —the model 68, a mainly Swiss made tank—was inefficient and should be abandoned. After heated debate within the Government it was decided that the existing tanks should be updeted to serve until the early 1990s, when foreign made tanks
—either West Germany's
Leopard or the United States
AMX—would be used.

The Government is currently choosing between the two foreign tanks and has decided not to continua a project begun five years ago to develop a Swiss made tank for the 1990s.

peo- etaoin etaoin etaoin nnn Switzerland's air force, which nses American-made Tigers and French-made Mirages, is also due for an overhaul and debate has begun about replacement

The Swiss have never tried to acquire nuclear weapons, arguing that they are bardly likely to be without Western backing. In a nuclear war, bowever, to ensure chances of survival, a 1973 law requires construction of nuclear shelters to protect the entire population. Enough shelters have been built so far to protect about 70 per cent of the population.

A beavy importer of energy, raw materials and food. Switzerland also holds large stocks of vital food products and other commodities. The Government bas stepped up its programme of procurement because of the recent increase in East-West tensions and the prospect of trade war if effective Western sanctions are applied against tha Soviet Union. It has also The Government h recommended that Switzerland should take an active part in the energy sharing programmes of International Energy

Stocks held in peacetime cover estimated needs for about one year of liquid fuels, food, animal foodstuffs, antibiotics and certain inputs needed by the agricultural sector. The Government is working to build up larger stocks of oil and oil based products, natural gas, dairy products and potatoes. In

A new law approved this year allows Government to requisition vital supplies in times of economic crisis.

With expanding defence needs, the defence budget has come in for increasing scrutiny. Between 1975 and 1979, Switzerland apent SwFr3.9ba on defence, a 28 per cent increase over the 1970-74 period. Annual increase in defence spending was about 3 per cent. The overall defence budget accounts for about 2.5 per cent of Gross National Product.

Last December's Government report on defence policy says Switzerland would be turned into "a vast battleground" in any future European war if it does not succead in protecting its neutrality. The most serious danger for Switzerland is espionage, for which it is a "nerve centre," the report adds..

Despite its efforts to police its territory, Switzerland will continue to be a "country of transit and a base for acquisi-tion of materials designed to create terrorist or-even criminal intrastructure abroad." The Government abould be prudent in its dealings with foreign terrorists because the country could become an easy target for reprisals.

### Controversial

One of the more controversial aspects of Swiss defence policy is the development of the local arms industry and arms exports by privata enterprises. The State-owned arms industry is centred on six enterprises located in remote areas. These produce ammunition, small arms and some armoured vehicles, and also assemble air-craft. The privetely-owned sector consists mainly of eight large companies, only two of which manufacture complete weapons. Several thousand smaller firms act as sub-

cootractors. The key arms-making companies are Oerlikon Buhrle and Mowag Motorwagenfabrik. The private sector makes mainly cannons, tank guns, rockets, light aircraft, electronic apparatus, smal arms and light armoured vehicles.

A 1973 law, modified in 1978, prohibits arms exports to countries aggregating applications.

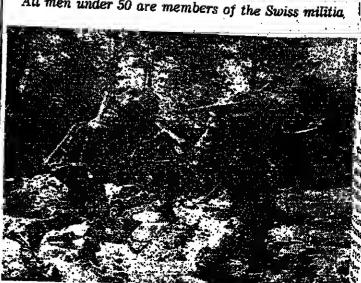
tries engaged in conflicts or likely to go to war. But regular reports about arms sales to such countries, including recent newspaper photographs of Swiss-made armoured vehicles being used to crush street riots in Bolivia, have increased pressure for a revision of the law. that a new one being prepared will be completed very soon.

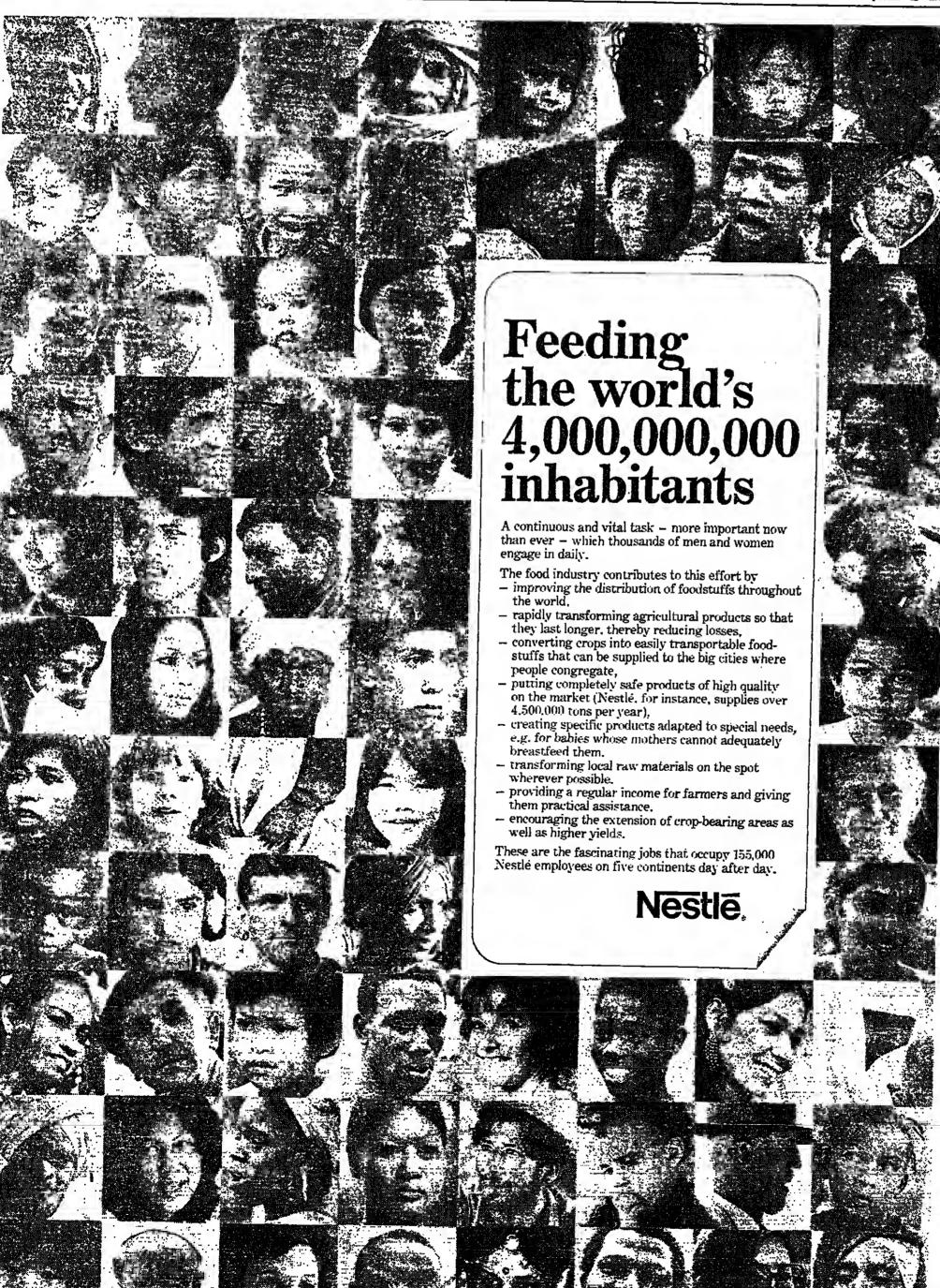
An unusual aspect of Swiss fonce strategies is to hide entire military commano posts. hospitals and mini-towns in systems of underground tunnels In its mountainous central regions. It is claimed that the eotire population can go underground to wage a attrition leaving a conqueror with no subjects to rule.

B.K.



All men under 50 are members of the Swiss militia,





# Clouds over Silicon Valley

BY GUY DE JONQUIERES

THERE IS nothing new about were forced into liquidation or Intervals of as little as 18 searching about the supposed ing plants abroad frequently fraction of the space and cost their Government to bail them out when they are down on sharply prise system as Penn Central. Lockheed and Chrysler have all swallowed their pride and frooped to Washington cap in hand.

If is surprising, however.

such pleas are beard highly profitable companies operating in a young equip and dynamic sector of the ny. Yet a growing numper of leading semiconductor manufacturers in California's Silicon Valley, aonth of San francisco—the forcing house of American microchip techgology-are now pressing with increasing urgency for Government support. Without it, they chaim, their future survival may he at stake.

That the campaign, led by the U.S. Semiconductor In-distry Association (SIA), ia heing mounted as the American economy moves more deeply into recession is largely a coincidence. So far, the industry's resilient growth rate has barely been dented. Thanks to an unexpectedly strong surge in world demand for chips. sales, last year brnke all records, rising 36 per cent to \$6.6bn. They were still forging shead in the first quarter, up M per cent over the same period of last year.

Most forecasts point to much reduced growth in the second half of this year, as the general slackening givity, high interest rates and spending cuthacks by corporate enstomers begin to take their foll. Few people are prepared hazard a guess about 1931: but the industry hopes, at least, io avoid a repetition of tha deep slump in 1975, when sales introduce successive generations their American customers. And form of a space programme fell below the level two years of smaller, faster and more if so why. In Silicon Valley, begun in the 1960s; and, more-stiller and several companies powerful integrated circuits at there is much agonised soul- over that U.S. comapnies build-

It is counting mainly on increased their luck. In the past few spending by the U.S. and its vears such previously stalwart NATO allies, buoyant worldwide defenders of the free enter- investment in electronic telecommunications equipment and strong demand from the U.S. motor industry to cushion the downturn.

Though their finances are tight, American car manufacturers are buying millions of chips. They arfe needed to engines with emission control devices and improved fuel systems to meet the stricter

... a shift is taking place in the rules of the semiconductor game...

Federal standards for petrol economy which go into force at the start of the new model year next autumn. General Motors plans to fit at least two microprocessors to every car it

Discussion of the business cycle is, bowever, overshadowed in Silicon Valley today by longer-term concerns. companies are grandually becoming aware that a shift is taking place in the fundamental rules of t be semi-conductor game and are uncertain how to cope with it. Their anxiety is all the greater because they themselves invented the original

in pioneering high volume production of chips and components. The market has been propelled by dramatic advances in micro-electronic technology which have made it possible to Rep. slump in 1975, when sales introduce successive generations of smaller, faster and more

The industry's performance 1970, worldwide U.S. sales have work force. quadrupled, and despite the 1975 debacle the average annual by as much as-30 per cent a American customers.

to American manufacturers, bowever, suddently to discover that they no longer have the field to themselves. They have been badly joited by the speed which major Japanese electronics companies, with no previous, experience in chip-making bave acquired the technology and entered the market as major forces.

The Japanese strategy has been to attack a few, rapidly expanding segments of the market. It has worked particularly well in 16-K Random Access Memories (RAMs), the most advanced memory chips currently in full commercial production. Japan is balieved to bave cap-tured in less than three years some 40 per cent of this market both in the U.S. and in Europe, hitherto considered almost exclusively an American preserve. It is questionable whether the Japanese would bave performed quite so well had American chip-makers themselves not been cauhet off guard by the

circuits last year. A vigorous debate is also under way as to wbather Japanese chips are of superior quality, as claimed by the Japanese themselves and by some of

sudden surge in demand for

RAMs and other key integrated

advantages of Japan's cultural traditions and educational syshas been spectacular. Since tem in producing a diligent eraments about which they com-

This kind of speculation. which sometimes verges on the rate of increase over the past mystical, may be no more than seven years bas still been a reflection of wounded Ameriaround 15 per cent. Even more can self-confidence. A harderremarkably fierce competition headed view is that Japanese and the development of in-manufacturers carefully screen creasingly efficient production every chip they make before it techniques bave forced down leaves the factory and send only the prices of individual devices the very best oces to their top

They can afford to be more It has come as a severe shock scrupulous, it is argued, because they receive subsidies and loans at artificially low interest rates. According to Mr. John Nesheim, treosurer of National Semiconductor, this means that Japanese companies need earn only balf the return on equity which their American competitors must achieve to stay in

> Nor is Japan tha only offander in American eyes. According to Rockwell, Governments around the world are pumping as much as \$2bn into encouraging the development of home-grown integrated circuit production.

There have been vague hints from the industry of the need for some form of trade measures aimed at the Japanese. But no atcion has been taken so far. This is partly because a recent report by the U.S. International Trade Commission effectively exonerated Japan from accusations of unfair trading practices and because the U.S. industry. as a major exporter, is wary of pressing too hard for any restrictions whiche ould lead to retalistion against its own

It is often overlooked, of course, that Silicon Valley Itself got started with the help of a massive infusion of Federal Government spending in the

benefit handsomely from the substantially less same incentives from host gov-

plain so bitterly in Washington.

American alarm might have been less shrill if the Japanese had not burst on to the market just as the U.S. industry was approaching a critical stage in its own development. For the micro-electronics business becoming more difficult. miniatureisation proceeds, the task of fitting ever more circuits on to the face of a chip the size of a pea and getting them to work properly is becming in-

creasingly demanding. This, and the general rate of inflation, bave sharply pushed np development and production costs. It is estimated that the cost of installing a wafer fabri-cation plant, in which circuits are etched on to thin slices of silicon, bas risen to more than \$5m from \$1m or \$2m only five

More time, and therefore, money, is also neded to develop new chips; perhaps two or three years from the point of initial

.. U.S. companies have been victims of their own success...

design of the logic circuits until sample production, compared with only a year or so for the simpler integrated circuits produced in the mid-1970s.

As chips become more powerful and cheaper, their range of potential applications also increases. Intel, National Semiconductor and Motorola among others are all planning to introduce soon complete new "families" of chips which will be as powerful as a minicomputer but, when mounted on circuit boards, will take up only a

GENERAL

The problem is that while such developments bring computers within reach of a much wider circle of users, many of them will not be trained in data processing techniques. The solution is to simplify the task of using the devices so that they can be orngrammed and operated by anybody with access to a computer terminal.

Intel is proposing to do just that by huilding basic operatiog software into the circuitry of its new micro-computer—a remarkable step never before attempted by any chip manufacturer. Other companies will no doubt follow. But because soft-ware design is a painstaking and heavily labour-intensive business, the development costs are likely to be high.

Earlier this year Dr Robert Noyce, Intel's vice chairman, estimated that U.S. companies would have to invest \$28bn in new plant and equipment to produce integrated circuits over the next ten years if the growth of the past decade were to be maintained. He, along with other industry leaders, bas warned that failure to meet this target would mean not only a drop in U.S. world market share but also the loss of technological leadership.

Their implied conclusion is that it will be difficult if not impossible to find sums of this order through the normal channels. Hence the SIA and its members have turned to Washington for help, requesting a variety of measures ranging from more generous tax incentives and tax credits for re-search and development to outright financial support.

Mr. Charles Sporck, president of National Semiconductor, believes that the U.S. Government should identify high technology industries as being of strategic national importance and direct making Silicon Valley a symbol

instruments (us) 520 Semiconductor (us) ntel intel (us) Fairchild is well FAIRCHILL REA

TOP TEN WORLDWIDE INTEGRATED CIRCUIT PRODUCERS: 1979 Sales

terms. One possibility would be through the establishment of a special financing institution, like the U.S. Export-Import Bank.

So far, however, the Government does not appear to be taking the bait. The Congress is considering a Bill which would pravide some of the tax concessions sought by the industry; but calls for aubsidised credit have fallen largely on deaf ears.

In a sense, U.S. semiconductor firms have been victims of their own success. The market which they have created by turning out ever cheaper and more advanced products has grown so big and important that it is no longer within their control. By

of innovation, they have also become prime targets for acquisition by large corporations eager to secure access to chip technology.

A number of manufacturers bave already succumbed, notably Signetics which belongs to Philips Mostek, acquired by United Technologies, and Fairchild, now part of Schlumberger. Many of the companies that are still independent resist takeover. claiming that it stifles the entrepreneurial spirit that has driven innovation forward. But if the future problems of obtaining financing are as daunting as the industry claims, many of them may bave little choice in the longer term but to follow

### Letters to the Editor

### ·Multinational guidelines

From the Deputy Directors, international Affairs, Confederation of British

Industry.
It Sir,—Of the 57 multinationals that bave given their backing to the Organisation for Economic 60-operation and Development international investment guide-tines (April 22), the 35 largest have a world-wide turnover of about £60bn a year, and they employ close on 1.5m people. It may be, as Mr. Arnold Krans-dorff points out, that they reprewent only 3 per cent of the multipationals operating in Britain. but in scale, they are a pretty

portant 3 per cent. So if anyone is worried about economic power being exercised responsibly, it is clear that the Confederation of British adustry's message to mambers. wiging support for the investheot guidelines seems to have through to some of the right guarters.

Certainly there is a good way be go before we can be fully satisfied with the number of British companies who have liveo the code their support. But in my view, the achieve-ment to date is not unimpressive. Let's keep things in

Perspective.
Most British firms classed as moltinationals—that is with at teast one subsidiary or affiliate in another country—are not in the big business league, with names lika Imperial Chemical indostries or Unilever. The 1,500 companies in this category are mostly small or medium sized, and this may well account for the "reluctance" bigh-ighted in the beadline. To expect small companies amploying a few people abroad to give early attention to a voluntary international code of conduct— which is in itself a rather novel concept — is not altogether realistic. Most of them no doubt think their first priority is to understand the complex labour law and practice in the foreign conntry where they operate.

But in any case, even if a company has not given its formal support, that is not to say lts operating practice falls below that outlined in the code. One is remidned of the man who suddenly realised he bad been speaking prose all his life without knowing it; or to change

G. C. Mason, 21, Tothill Street, SW1.

# Local authority

the metaphor you can play a lot

of good cricket without writing to MMC about it!

pay From the Head of Public Relations, Stockport.

Sir,—If Mr. Drain, the general secretary of the National and Local Government Officers' Association (April 23) had paid increases, and assuming inflation more attention to my argument rises by 25 per cent by July, (April 17) and less to his tendency for partisan rbetoric, he about inflation in the following would perbaps have given a more convincing reply to my figure by July 1981 reached 17.6 complaint, ie, that my recent local government pay award is it could peak half way at about inflationary and economically 37 per cent without me or any-unjustifiable. Once again, Mr. one else in my position suffering Drain avoids the key issue productivity bargaining in local government administration.

I never said that I hoped to earn £12,500 by next July and I wonder from where Mr. Drain got that figure — unless, of course, it is an intimation of the kind of pay rises NALGO is now aiming for.

Drain did not bothter to cormy error in not compounding competition and a the percentage increases under-

According to the new pay unqualified, inexperienced school leaver now receives 27 per cent more than in June 1979. The person on tha midpoint of the pay scale receives 24 per cent more, and the person at the top receives 29 per cent more. So much for per cent more. So much for Mr. Drain's claim of an average 13 per cent increase.

stated the true position.

It is true that the ought to be adjusted downwards because part of the increase did not become payable until January 1. But by the same token, they would then have to be adjusted neward again to take accounts of tax reductions and the value added to our index-linked pensions.

One of the points I raised, by implications, is whether pay rises are intended to compensate for past inflation of future inflation. If it is the former, then we bave dona extremely well because the RPI during our last pay year rose by 15 per If it is the latter, then we still do well because the RPI has not yet reached any of the percentage points men- years. tioned above. Of course, if sustained increase in public NALGO does negotiate in anti-cipation of future inflation, then. corresponding economic growth. it would seem that Mr. Drain The alternative approach should he attributes to me. But his mean fewer potential members prophecies become self-fulfilling for NALGO. when a pay deal reached on that basis causes the very infla-

tion ba bas propbesied. Thus, it is quite legitimate for me to anticipate the conse-quences, should next July's settlement be in excess of the Government's cash limit, ie, 14 per cent. And Mr. Drain knows full well, with or without a crystal ball, that NALGO's claim will be well in excess of that figure. (I am told by one of onr negotiators that the target is presently 20 per cent, but is expected to be jacked up considerably a in anticipation of in-

If our annual pay rises are intended to cover us for future costs rather than past, local government staff will probably end this year with a financial "surplus," i.e. ahead of the current inflation trend—es will teachers and many other public sector employees.

I contend that the July deal should be less than 14 per cent because if it is not, I will receive, not 42 per cent more as mistakely wrote in my last letter, but at least 47 per cent more than this time last year. The junior will receive at least 45 per cent more and the middle rank 39.5 per cent. Given those 1980 I would not have to worry 12 months, unless the year-on per cent or higher. That means a drop in living standards. Likewise lower paid staff, i.e. the junior and middle ranks, could withstand a year-on inflation rate of 16 per cent peaking at 31 per cent or 12 per cent

peaking at 22 per cent.

the air, I took them from or anyone else for that matter, NALGO documents. I did, how bas an antomatic right to be ever, make a mistake in my per-centage calculation, which Mr. alone get ahead of it, when so many other people bave to face rect. Understandably so, because the full rigours of international recession.

Mr. Drain accuses me

accepting fallacious arguments. That is an interesting observation because my basic argument is that real pay rises can only be bad out of an economic surplus, or else at some other person's expense. I do not see any overal economic surplus in the British economy and therefore I have to wonder at whose expense do I get my present pay rise. It is either at the expense whose surplus is needed to pay for our public services, or at the expense of members of NALGO losing their jobs. Where is the

fallacy in that? Mr. Drain states that £1bn more in public spending will generate six times as many jobs as would fibn in tax cuts. If that is true, the answer to unemployment would be to increase taxation and stuff every unemployed person into a Town Hall job. That would greatly increase Mr. Drain's subscription income but it would drive the

rest into bankruptcy. Mr. Drain also states that a sustained increase in public expenditure would renew eco-nomic growth. Well in recent there bas possesses the crystal ball that now be tried, even if it does

> An interesting footnote to this correspondence is that following my last letter I now face expulsion from the union for baving expressed my opinion about my personal financial position. Perhaps I was too near the truth for comfort. Brendan P. Murphy. c/o Town Hall, Stockport.

### Penalised for prudence

From Mr. P. Stark
Sir, — In the Budget the Chancellor increased the investment income surcharge threshold by £500. At the same time he increased the starting point for 45 per cent income tax by £1,250. Both these amounts to be indexed for the future. This means that the difference in the amount of tax paid on income by the pensioner on state pension plus investment income will increase

progressively year by year.

Before the Budget the married pensioner with state pension/investment income, hy the time be reached the starting point for 45 per cent income tax, paid £1,031.49 more in tax than anybody else with a similar income. For the coming year he will pay. £1,144.50 more than anybody else up to the starting point for 45 per cent income tax. With each succeeding year the difference will become greater. For the purpose of illustration I have used the starting point for 45 per cent income. tax, but of course the pen-

sioner on state pension/invest-ment income begins to suffer at

The people who are penalised Given the current economic are mainly retired small position of the country, I do not businessmen and women who Public Trustee Office, believe that local government invested for their own retire- Kingsway, WC2.

Nor did I pluck figures from officers, teachers, civil servants, ment by keeping their investments under their own control. At the time of investment they did not enjoy the tax advantages that are today available to people in similar circumstances.

The only way to remedy the discrimination is to abolish the investment income surcharge for people of pensionable

Is it to much to hope that some kindly disposed MP who can see the injustice of the situation would take the matter during the course of Finance Bill through-Parliament? F. Stark

176, Southend Road,

Wickford, Essex

### Accounting standards

From Mr. S. Kaye Sir,-It is very disturbing to note that approximately 5,500 statutory auditors authorised under the pravision of the Com-panies Act 1948, Section 161 (1)(b), the latest being granted in 1978, are not bound to observe standards recommended and carefully drawn up by the recognised 181 bodies.

Is the profession generally aware that the 161 (1)(b) auditor may offer companies complete freedom from any obligation to adhere to SSAP and the like?

It is an anomaly that this

position has arisen with Govern-ment blessing — Government gives active support and encouragement to the imposition of recommended standards by the recognised bodies, but ignores its own protege. It is now time to put the questionwhat steps are being taken by the Government to correct the position for which it is

responsible? .This is a matter which cannot be allowed to continue, as the recognised bodies are entitled to look to the Government to protect their standards. What are the recognised bodies doing to persuada the Government to redress a ludicrous situation which could develop into a

confusion of standards?
In this the Institute's centenary year surely positive moves could be started to regularise our fragmented profession so as to give it the unified status enjoyed by other learned hodies.

Stephen Kaye. 48, Winchester Court, Vicarage Gate, W8.

### The Public Trustee

From the Chief Investment Manager, Public Trustee Office.
Sir, — Under the heading.
"Bequeathing your assets to best advantage" last Saturday Tim Dickson asserts that the Public Trustee is a body whose sole business is to administer

I would point out that the Public . Trustee in addition manages settlements and investment portfolios and that he also has a substantial institutional side involving the management of unit trusts and a number of pension and friendly society

He does therefore offer a far belo wthat figure and will much broader range of services than the ordinary executor and suffer even more above that trustee business. F. A. Beecham.

### UK: Mr. John Nott, Trade Secretary, opens Advertising Secretary, Association conference in Brighton on "Advertising in a

shrinking world: resources and resourcefulness;" speakers in-clude Sir Terence Beckett, Ford chairman, and Sir Peter Parker, BR chairman.

Industrial tribunal bearing resumes on unfair dismissal of Mr. Derek Robinson (Red Robbo), former BL shop steward,

Birmingham. Mr. Jobo Moore, Energy Par-

### liamentary Secretary, speaks at Institution of Electrical Engi-neers dinner, London. Overseas: The Queen continues state visit to Switzerland.

# **Today's Events**

Queen Juliana of the Nether-lands abdicates: Prince Charles represents the Queen at accession Queen Beatrix, Amsterdam. Turkish Central Bank's annual general assembly, Ankara.

Aerospace Bill.

House of Lords: Debate on quality of Post Office service.

Local Government Grants (Ethnic Groups) Bill, second reading.

Social Services, Room 8, 4.30 pm. Welsb Affairs, Room 16, 10.30

### COMPANY MEETINGS

Badulipar Tea, 12 Carlos Place, W. 3.30. City and Commerrial Investment Trust, 117 Old Broad Street, EC, 12. East Lan-Turkisb Central Bank's annual general assembly, Ankara.

East and West Germany sign agreement in East Berlin on road, rail and canal links between West Berlin and West Germany.

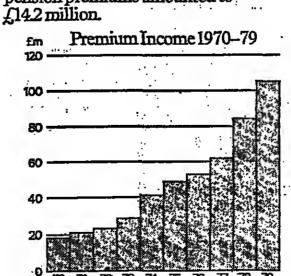
PARLIAMENTARY BUSINESS
Hense of Commons: Employment Bill, completion of remaining stages. Consideration of Lords Amendments to British

### "Prompt service and competitive premium rates allied with a good bonus record were the major factors in attaining excellent figures."

Salient points from the statement for 1979 by the Chairman of Clerical Medical, Douglas Morpeth.

\* It is with pleasure that I report: once again, a year of record new annual premiums for the Society, at £20.4 million, the total exceeded by £1.3 million the outstanding result for the previous year when the level was nearly doubled.

\* In ordinary life assurance, new annual premiums were £5.6 million, 23 per cent above the level for 1978; new premium income from Personal Pension Contracts exceeded £3.0 million; new annual group pension premiums amounted to



\* In April 1979, the Society accepted an invitation to join the Aetna/Generali Network, established to provide worldwide advice and underwriting facilities on Employee Benefits.

\* Following good investment results, the rate of terminal bonus payable on death and maturity claims was, on 1st July 1979, increased from £1.50 per cent to £1.75 per cent of sum assured. An increase was also made in the corresponding bonus added on retirement to Personal Pension Contracts.

Offices in: Aberdeen, Ashton-under-Lyne, Belfast, Birmingham, Bradford, Brighton, Bristol, Cambridge, Cardiff, Channel Islands, Chelmsford, Chelrenham, Chester, Colchester, Coventry, Croydon, Dundee, Lester, Corchester, Covening, Cooping, Linder, Esterer, Glasgow, Hill, Inverness, Inswich, Leeds, Leicester, Lincoln, Liverpool, London (2), Lumm, Maidstone, Manchester, Newcastle-upon-Tyne, Norwich, Normoglam, Oxford, Physical Postsmouth, Presion, Reading, Sheffield, Southengton, Watford, Williamston, Watford, \* During 1979 some £97 million was invested in long term assets. £50 million was used for the purchase of fixed interest investments, £25 million for ordinary shares and £19 million for property.

\* Consumerism may be new; good service is not. The Society takes the greatest pride in its 155 years of continuous service to the community, during the whole of which time the interests of the consumer have been paramount.

A copy of the 1979 Report and Accounts is available on request from the Society's Secretary.



# Clerical Medical & General Life Assurance Society

Principal Office: 15 St. James's Square, London SWIY 4LQ Tel: 01-930 5474 Bristol Head Office: Narrow Plain, Bristol BS2 0JH Tel: Bristol (0272) 290566 Incorporated in England by Act of Parliament with limited liability No. 2193

# Tarmac expands by 43% Exchange rates bite and makes good start but Bunzl improves

to taxable profits of £38.03m in 1979, a rise of 43 per cent over

Mid-term profits were ahead to \$7.49m (£6.25m).

The directors say the group has made a good start overall in 1980, reflecting the improved weather, but in the light of public sector spending cuts they are cautious about the year as a whole. However, further progress is expected.

Overall results for 1979 reflect in part the tight managerial and financial controls introduced a year ago, they add.

Group profit advanced from f31.57m to £45.05m before interest of £7.02m, against £5.1m. Turnover expanded to £836.27m

Pre-interest profits of the quarry products division increased by 25 per cent to £22.41m, on sales of £246.95m (£218.57m). Building profits soared to £10.01m (£4.33m). on turnover up from £114.09m to

A record number of private homes were built by the housing division the directors say, and profits rose by 55 per cent to £9.73m, on sales of £84.48m (£62.11m). Properties profits increased to £2.05m (£1.79m). On the construction side, the

surplus fell from £3.51m to £1.05m, partly due to upprecendented losses on new housing for local authorities and a refuct-ance by some public sector to agree settlements on £296.08m (£269.33m).

There was a turnround from s £0.74m loss to a £1.28m profit directed towards reducing cost, for the internetional division, e satisfactory start has been where turoover totalled £71.27m made to 1980, states Mr. W. Ward, (£73.87m). The newly-formed managing director. There was a industrial division slipped from strong positive cash flow in the £1.62m to £1.46m, on sales of £7.16m (£5.81m).

The net total dividend is raised by 25.6 per cent to 13.75p Sales this time improved from (10.947p), with a final of 8.75p. £22.65m to £25.4m. After a tax

> Trading Profit Interest Received Exceptional Item

Profit before Taxation

Profit after Taxation Less: Extraordinary Item

Earnings per Share

Less: Provision for Taxation

£1,023,000 for the equivalent period of last year.

will be subject to the effect of capital allowances and stock relief.

the quarrying, building and 53.4p (26.4p), and as 32.7p housing divisions helped Tarmac (21.9p) fully taxed). (21.9p) fully taxed).

The tax charge of £8.48m (£12.16m) has been reduced by amounted to film and net current assets rose from £3.26m to of deferred tax for stock relief £4.94m for 1973 and 1974. Extraordinary debits of £3.55m (£0.15m) included a net loss of £2.83m (£1.15m) on the sale and closure of plants and businesses.

A professional revaluation of freebold and leasehold interests iv land, minerals and buildings in the British Isles and Switzer-land has resulted in a surplus of £5.69m, which has been added to group reserves.

Fixed assets were up from £112.79m to £122.19m at the year-Cash totalled £9.19m (£9.68m), while short-term debt amounted to £4.66m (£5.15m). Terms loans were higher at £39.43m (£37.58m).

As a result of sales by one of the group's subsidiaries, the Prudential Corporation now holds 2,744,047 sbares.

Lex Back Page

# Advance by Ward

Despite the adverse effects of the transport and engineering tax profits of Ward Brothers Holdings, an unquoted manufacturer of steel-framed buildings completed work, the directors and components, advanced from £1.44m to £1.57m in 1979.

Aided by advance ordering of steel and considerable effort first quarter and he expects the group to continue to achieve growth in sales and profits.

KWIK SAVE DISCOUNT GROUP LIMITED

INTERIM STATEMENT

The maudited results for the 26 weeks coded 1st March, 1980, are:-

During the first half of the year, sales increased by 26%; however operating costs rose at a rate in excess of price inflation and the net profit, before the exceptional item, showed only a small increase. A further factor was an excess of distribution capecity

following the opening of the Newport warehouse in September. 1979, which has now been reduced by the conversion of the former Cee-n-Cee distribution depot at Winsford to a bulk storage depot, with e consequent saving in operating costs.

The exceptional item is the belence of the profit arising on the sale of the Swindon warehouse, the whole of the proceeds baving now been received.

Trading profit includes £1,322,000 gross rentals from concessionaires in comparison with

The taxation for the balf year has been provided at full tax rates which, over a full year,

By the 1st March, 1980, we had opened a further 16 stores and closed four; by the end of the year we anticipate we shall be operating approximately 250 stores.

The Directors have declared an interim dividend of 1.3p per share (1979: 1.1p) on the Ordinary Share Capital, payable on 1st July, 1980, to sharebolders on the register on 3rd

26 weeks te

(unaudited)

# credit of £0.43m (£0.21m SECOND HALF profits from charge), net profit is £2m Bunzi Pulp and Paper have shown (£1.23m).

Capital expenditure in 1979

# **Progress**

to self-catering holidays. Ace Beimont International, Britain's higgest caravan and holiday home manufacturer, reports pretax profits up from £695,000 to £750,000 for the baif year to February 29, 1980,

Turnover rose 29 per cent to £16.11m as the group increased its market share.

After tax estimated at £390,000 (£362,080), earnings per £1 share are shown a s 12.19p (10.9p), leaving retained profit at £256,000 ABI Caravans, a subsidiary

company, ia investing nearly £2m on developing its industrial property interests. The first £700,000 phase in this two-phase scheme at Beverley, Yorksbire, has been fully let on tenants, who include British Aerospace. The group has also developed read caravan sales centres at Washington, Tyneside, and at Burslem, Stoke-on-Trent.

Plans are also well advanced for porviding £0.5m all-weather storage facilities for caravan and holiday bome production.

### WEARRA GROUP CHANGES NAME

Wearra Group bas received the consent of the Department of Trade to change its name to Devid Scott Group. This change takes effect immediately.

52 weeks to

9.07p

26 weeks to

(unaudited)

first half increase the overall profit for the year 1979 is £0.9m better at £13,66m.

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whather dividends are intarims or finals and the subdivisions The importance of exchange rate movements are emphasised by the directors; at the rate shown below are based mainly as last ruling at the start of the year year's timetable. profit would have been £1.3m TODAY Interime Border and Seuthem Stock-selders Trust, Commen Brothers, bigher at £15m.

The prost takes account of an increase from £231,000 to £690,000 in general provision for overseas

GEDL	•	
	1979	1978
	£000	2000
Turnover	229,783	206.250
Trading profit	11,545	10,112
Asseciates	3,309	3.602
Invest, inceme	1.195	921
Profit before tax	13.659	12.793
UK tax	1,696	1.182
Overseas tax	2.147	1.827
Assoc, tax	1,420	1.494
Minorities	735	915
Extraord, dabit	<del>15</del> 16	330
Available	7.145	7.045
Dividends	1.710	1.434
t Includes £1.03m	(£215.000	
proanisation coats.	··	, ,-

A final dividend of 2.74p is recommended to raise the total from 4.57p to 6.57p net. Excluding extraordinary debits, earnings are shown at 29.3p (28.2p).

The sale of Bunzl and Biach Vienna, was concluded on April 24 and a provision for a loss of f4.46m has been charged to reserves. The sale has led to borrowings being cut by £18.7m and the gearing ratio being improved from 46 per cent to 10 improved from 46 per cent to 10 year. Cigarette filter profits per cent.

At the end of 1979 shareholders funds stood at £52.42m more in-house manufacture by 10 per cent yield.

vices division accelerated dur-ing the second half, resulting in a fim or so loss for the year. The rapid expansion of this diversification attempt overstretched the division's resources and thought it is being beld in check a return to the black may not come within the current

Finals—Ayrshire Metal Products, B.A.T. lodostries, Central and Sheer-wood, Charles Clifford, Comfort Hotels International, Gerrard and National Discount, T. C. Harrison, P. C. Hender-

son, Jassel Toynbee, Scottish Heritable Trust, Smith St. Aubyn, A. G. Stanley, Telephone Bentels, Turriff Corporation. Usifiex, Whatman Reeve Angel.

Akroyd and Smithers ...... Brown (Metthew)

comment

**BOARD MEETINGS** 

(£53.47m), or 200.2p (204.2p) per tobacco companies. Peckaging

Aberdeen

still losing money. In the paper division, Bunzl and Biach AG, now sold, made a small profit for Problems in Bunzl's data -serloss. Paper trading had a good year, but a decline in the final quarter has continued through into the current year. Tha into the current year. That fills in reduction in borrowings through the BBAG sale should help this year's profits along. The shares alipped 2p to 97p, less than half net worth, where the fully-taxed p/e.is 3.8 on a 10 per cent yield.

That room furniture) has also made a room furnitur

Central Manufacturing & Tree, May

Ninsteen Twenty-Eight Inv. Tat. May

Scottish Nerthern Invest. Press Sectombe Marshell & Campion Sphere Investment Trust

Porter Chadburn May 8 Sandhorst Marketing May 9 Scottish Northern Invest. Trust May 12

though Runzi Adhesive Materials

Pearce (C. H.)
Scottish National Trust

# **Energy Services profits rise**

PROFITS, BEFORE tax, of Yearly earnings are shown at appears to bave been growth Energy Services and Electronics, electric and electronic component manufacturer, improved the dividend is stepped up to only static showing came from 0.625p (0.5p) net with e final the Neve studio equipment by 26 per cent from £1.06m to a record £1.33m for 1979. Turn-over rose by 24 per cent to £10.46m.

All activities contributed to results, with the axception of the Neve companies where profits were little changed due to a temporary downturn in the market and production delays with the new range of consoles.

The directors say that sales and profits growth is confidently expected in all activities for 1980, and the edequate finance

in business climate will be neces-sary for profits to be maintained (nil).

for some years, they add. This is primarily caused by high interest rates forcing a major

destocking process by customers

and a general stagnation of

Currently the inflation rate of

end this, together with the cost of interest on borrowed money, has a considerable effect on

profitability. The current period

will therefore see some emphasis

on economies to contain costs,

Pre-tax profits expanded from £1.04m to £2.01m in 1979, as

reported on April 10.

year-end.

payment of 0.375p. After tax of £309,000 (£228,000) and minority losses

£4,000 (£4,000 profits), the attributable balance came ont at £1.03m against £825,000, of which dividends will ebsorb £235,000 (£189,000).

comment

**Energy Services and Electronics** has returned impressively from its 1975 trough. The company's 1978 pre-tax income was up 22. per cent and the latest figures

the Neve studio equipment business where television studio bove the line exchange translation may have cost around £75,000 and interest charges were doubled to over £300,000. The group's Llon Oil services sub-At the interim stage profits show an increase of 26 per cent 254p, up 24p. The fully taxed were ahead from £506,000 to for last yeer. Pre-tax margins p/e comes to almost 15, which is £611,000.

### sidiary managed to come out of the red last year and could look for better days through its links with North Sea oil companies. The total net dividend is up a quarter and yields 3.6 per cent at 25 p. up 2 p. The fully taxed

Poor market for Danish Bacon SUBSTANTIAL improvement totalled £7.68m (£8.21m), include the value of the capital to twice ing sbort-term bank loan of £1 the value of the capital and reserves. This is to meet the

# Peerless offer for sale

food prices is lower than that company turning in profits of of the expenses of the business almost £4m a year.

almost £4m a year. Mercbant bankers Singer and Friedlander are arranging an offer for sale of 3m ordinary shares amounting to 25 per cent of the company's equity.

Peerless was founded in 1920 by the Jones and Jordan families of Birmingham. The company's present management are the

sons of the founders. Group fixed assets were up from £5.13m to £7.29m at the

Dealings are expected to start turer of hot brass stampings for on May 20 in the shares of the building and gas industries.

Peerless. a Birmingham-based This activity now eccounts for roughly 15 per cent group profits, the balance coming from the manufacture of plastics, domestic central heating systems, elec-tronie taxi meters, kitchen cabinets and glass and aluminium

castings and pressings.
For the year to March 31, 1930, group sales were £33m and profits are estimated to ba £3.8m. Net tangible assets at end December, 1979, were £13.5m.

Application lists are due to open on May 15. Other offer of the fr.29m at the The company started life as open on May 15: Other of Net current assets Peerless Stampings, a manufact details are yet to be finalised.

# Alpine Holdings moves ahead and lifts dividend

been shown in the second half has started 1980 in fine rivie, of 1979-80 by Alpine Holdings to Double glazing by contrast has produce annual profits £843,000 turned down since the financial higher at 12.76m. But the cur- year end and, while Alpine might rent year is expected to be tough claim that the cost structure has and the first half is likely to be very disappointing."

In the year ended January 31, 1980 all divisions showed pro-gress, with Dolphin Showers' profit moving up from 2543,000 to £1.2m. The dividend for the year is lifted from 2.764p to 5.25p net with a final of 2.975p.

Sales by the double-glazing side in the current year have declined sharply, a trend that the directors understand is shared by the industry. However, sales are likely to recover in the traare likely to recover in the tra- Over the medium term, Alphae ditionally stronger-selling periods seems confident of 2 demand re-

later in the year, particularly if covery by the beginning of the there is a reduction in interest next financial year and a success-rates.

Nevertheless, immediate steps generally shows a sure touch, have been taken to reduce cost be enough to stimulate the shortery is substantially. levels substantially. On the other hand, Dolphin

Showers continues to trade strongly and the directors are confident of further progress. Alpine Dreamline (fitted bed room furniture) has also made a satisfactory start.

phin Showers based on its trading periods up to January 31, 1981. The payment is provisionally estimated at £298,578 which Alpine would propose to satisfy as to half in cash and the balance

### comment

in ordinary shares.

Alpine is planning to add a fourth leg to its home improve-ment activities within the next of competition from cheaper three months and it is a remove ranges. But ESE is seeking to able guess that it is aiming at a seeking to sector rather less competitive ranges. and selling et a lower unit cost than double-glazing. This, the dominant division in the existing trading range, did well last year in a tepid market despite absorbing the Tanfield Lea start-up. But its growth was dwarfed by

FURTHER IMPROVEMENT has the upsurge in Dolphin which been adapted quickly to a lower valume outlook, the impact of high interest rates has been actue and the first half as a whole will be disappointing. The shares have coped well with a large placing but, by comparison with the double digit earnings multiple prevailing last year, the historic o/e is now 7.4. That sug-gests that the price, after a 5p fall to 93p, is accommodating the more sombre outlook even if a yield of 8.3 per cent offers no better than average support

### Unilever Australia expands

ALTHOUGH earnings of Unilever (Australia) Holdings surged by 34 per cent to \$8.56m in 1979, the result was affected by severe competition in margarine and packaging and poor profitability is the transport and distribution company. The return on shareholders funds the directors state, is still

A further improvement in earn-ings is expected in the current The parent company, Unliede

of the UK, received e dividend of \$55m, against \$25m in the previous year. -

### BOND ISSUE --

Agricultural Mortgage Corporation has issued £2.5m 16, per cent bonds May 1, 1981, at

### DIVIDENDS ANNOUNCED

Date ' Corre To	cal Total
Current of sponding to	r last
payment payment div. ve	
oberts Adlard 5.0 3.07 7.0	
upine moldings : 277 hily 4 1.42 5 9	
order and Sthm int 0.8 May 30 0.7	
anzi Pulp 2.74 July 1 2.28 6.5	
nergy Services 0.38 - 0.3 0.6	
nglish Natl Inv. pref 1.22 June 25 113 22	
nglish Nati. Iowdef 2.43 June 25 207 4.0	
And the second s	
	9
armac 8.75 - July 8 6.96 13.	75. 10.95

in the current year, warm Mr. K.

Bonefeld and Mr. E. Trautmann, joint chairman of Danisb Bacon Company, in their annual statement.

The group is experiencing the poorest market for its products

The group is experiencing the poorest market for its products

Take it to meet the continuing expansion of trading by the group and the effects of infiation. At the year-end, capital increase amounted to increase the borrowing powers of the company from three times of the continuing expansion of trading the conti

# W Mightingale & Co Limited

1979-80 High Low Company	Price Chan	Gross go Div (p)	Yiald %	P
99 60 Airaprung 50 26 Arritage and Rhodes 275 185 Bardon Hill 100 80 County Cars 10.7% Pf. 101, 63 Beborah Ord. 112 88 Frack Hersell. 129 98 Frackettck Parker 156 102 Goorge Bleir 170 45 Jackson Group 131 11 James Burrough 1300 242 Robert Jankins 123 175 Tarday 111 Twinlock 12% ULS 156 23 Unilock Heldings 150 46 Unilock Heldings 150 46 Unilock Heldings 150 86	31 275 80 94 172 101 -107 69	5.0 7.8 12.8 16.5 5.2 7.2	12.3 5.0 19.1 5.3 7.0 12.7 15.4 - 7.5 6.4 5.3	3 2.0 8.1 7.0 4.1 9.1 5.8 3.0

mits of the Council of The Stock Exchange in London. It does not constitute an invitation to subscribe for or purchase any securiti

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Blyth Eastman Paine Webber International Ltd.

Commerzbank Aktiengesellschaft

**European Banking Company Limited** 

Orion Bank Limited

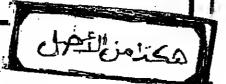
Société Générale de Banque S.A.

Swiss Bank Corporation (Overseas) Limited

S. G. Warburg & Co. Ltd.

Application has been made to The Council of The Stock Exchange for the Bonds to be admitted to the Official List of The Stock Exchange in London subject to the issue of the Bonds. Particulars of the Bonds and of the Issuer and the Guarantor are available in the statistical service of Extel Statistical Services Limited and may be obtained during usual business hours on any weekday (Säturdays and public holidays excepted) up to and including May 7, 1980 from the brokers to the issue:

> W. Greenwell & Co., Bow Belis House, **Bread Stree** London, EC4M SEL



# Luis Gordon Group Limited

Trading Profit

Sales rose 25% to £,16,096,000 Profit before tax rose 164% to £475,000 Earnings per share rose from 2.85p to 8.19p Net Assets per share rose from 25p to 36p

Comment on results Luis Gordon's main business is the importing and marketing of Domecq Sherry and wines, Graham's Port, Glayva Whisky Liqueur and a range of other wines, liqueurs and spirits.

The preliminary results for 1979 demonstrate continued substantial improvement in sales and profit The growth in sales reflects the Group's success in

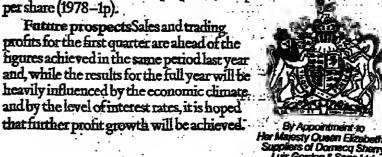
increasing the sales of Domecq Sherry and in developing the sales of its other brands. Profit before taxation was up by 164% despite a substantial rise in interest charges.

Due to the available reliefs, no tax will be paid other than Advance Corporation Tax on the dividend. Extraordinary Item The repayment during the

year of the US\$1,850,000 Subordinated Loan resulted in an exchange gain of £217,000. Dividend A dividend is proposed of 1.5p

per share (1978-1p). Future prospects Sales and trading profits for the first quarter are ahead of the figures achieved in the same period last year and, while the results for the full year will be heavily influenced by the economic climate.

and by the level of interest rates, it is hoped



Profit before taxation and extraordinary item 475 180 Taxation (26) Profitafter taxation, but before extraordinary item 442 Extraordinary item Profit after taxation and extraordinary item 659 Dividend (54) Retained profits Earnings per share Net Assets per share 2000年的1200年1200**年** 

€'000

16,096

1.197

(722)

£000

12,951

764

(584)

Annual General Meeting Copies of the Annual Report will be posted to shareholders on Friday, 2nd May, 1980 and the Annual General Meeting will take place at the Caxton Hall, Caxton Street, Lendont SW1 on Wednesday, 28th May, 1980 at 12

The ad a Ewer offers

### **BIDS AND DEALS**

# machinery : distributor

THE LISTING of the ahares of George Ewer, the motor coach operator, was restored yasterday as, the company announced a \$132m share offer for Eastern eractors (Holdings), an unquotad distributor of specialist machin-

Ewer's sheres were suspended of 491p last week pending an

The offer, which will involve the issue of 2.65m New Ewer shares, is on the basis of six Ever shares for each ordinary

Ewer says Eastern Tractors has achieved a high level of furnover 1517.59m for 1978-79). to a relatively small improvement in margins will have a significant effect on profits. The company is condant that margins can be improved and that Eas-tern Tractors will then become "a signicant profit contributor to the enlarged group."

Unon the offar becoming naecoditional. Mr. P. BinghamWallis will join the board of
Ewer and two Ewer directors will join the board of Eastern

re-tax profits of Eastern Trac-mors for 1978/79 were £10,369 in(£308,419). At August 31, 1979. tnet attributable assets amounted

he Eastero Tractors' sbarebolders will be entitled to retain e divi-dend of 11.4p for the year to August 31, 1979.

Resuits for year eoded 31st December

Profit before Taxation .....

Profit after Taxation .....

Net Assets employed ..... Issued Capital
Per 20p Ordinary Share: Earnings
Dividends

may eventually belp us in this respect.

# Clifford's Dairies rejects £10m Unigate approach

It already owns 3.9 per cent There is also a cash alternotive of the voling sbares and 5.06 per of 120p for the voting and 105p cent of the non-voting capital, for the non-voting shares. The

There is also a cash alternotive but is up against the weight of the family ahareholdings in Clifford's in its takeover attempt.

Unigale, which has a strong balanca short after the non-voting shares. The bid pushed np the prica of Clifford's voting shares by 24p to 116p yesterday, while the non-voting shares at 102p.

Unigate, which has a strong baianca sheet after the sale of its creameries to the Milk Marketing Board, said it is not strongly represented in the Barkshire and Oxfordshira area which sold County Dairles to shire and Oxfordshira area Cilfford's for £3.7m in 1978, where Clifford's does most of its business.

The group is making its bid conditional on Clifford's agrees with the Smith family, which sold County Dairles to Clifford's for £3.7m in 1978, having some 20 per cent, Mr. John Clement, Unigate's chairman, said he was not greatly conditional on Clifford's agree.

Unigate met with a stiff re-jection from Ctifford's Dairles changed at 114p yesterday—plus ance of the combined shares and yesterday after putting in a £10m 15p cash for Clifford's, es well as cash offer would meen the issue yesterday after putting in a £10m 15p cash for Clifford's, es weil as cash offer would meen the issue bid for the Berkshire-based one share for each non-voting of 9.25m Unigate shares and eash unit. 1.75m voting shares in issue and 7.98m "A" non-voting.

Clifford's hoosted its pre-tax profits last year by 53 per cant to £2.28. although this would bave been 28 per cent if the new sequisition had haen included for the whole of the previous year. On a CCA hasis the taxable surpius was reduced to £1.81m

In Clifford's annual report, Mr. Gordon Clifford, the chairman, says first quarter trading was encouraging and the commany bones for a astisfactory year.

conditionat on Clifford's agreeiog not to go ehead with the
fl.5m rights issue announced a
few days ago. But Clifford's
said yesterday it intend to do so.

Unigate is offering one of its

man, said he was not greetly
surprised at Clifford'a rejection
of the offer.

Full acceptance of the cash
offer would mean that Unigate,
which is advised by J. Henry
Schroder Wagg, would have to

bones for 2 attisfactory year.
When announcing the one-forfour rights issue, the comosny
on a new fruit jnice factory. It
was also on the lookout for private dairy husinesses to acquire.

# Wilson Bros. recommends share and cash terms from Fine Art

Fine Art Developments, the of 37.2p on each Wilson share, greeting cards publisher has Fine Art intends to offer a loan mounted a £4.3m bid for Wilson note alternative for the cash

Brothers, another greeting cards element of the offer.

1978

14,110

645 318

3,616

LAMBERT HOWARTH

REASONABLY SATISFACTORY RESULTS

Extracts from the Statement by

Mr. C. L. Howarth, Chairman

Projection levels and profit margins continue to be restricted on the ooe band by an influx of low priced footwear of foreign manufacture, and on the other by increasing produc-

tion costs resulting from coostantly rising raw material costs.

lo the face of these problems we feel our resuits can be considered reasonably satisfactory.

The Future

Orders are coming in reasonably well and whilst it is too

early to make any accurate forecast we have every expecta-

to that aebleved during 1979. Foreign competition is still a cause for coocern and we are hoping that Government action

The Group is a substantial supplier of footwear to Marks &

Spencer Limited and also to leading wholesole and multiple chains throughout the country and prominent moil order groups. Port of its production is sold through wholesalers under the registered trade mark "Osbornia" and o significant portion of slipper production corries the "Gonnex" brand for which the Group has sole distribution rights.

LAMBERT HOWARTH GROUP LIMITED

BURNLEY & ROSSENDALE, LANCASHIRE—ISLE OF MAN

The group aiready owns Wilson's directors have recommended the offer.

Fine Art is offering one of its own shares, which yesterday closed at 551p, down 3p, for every three Wilson shares plus 56p in cash. This places a value

The group aiready owns 2,813,002 ordinary shares, representing 24.4 per cent of Wilson's share capital, and it's pension fund owns 240,000 ordinary shares, representing 2.1 per cent.

The group aiready owns 2,813,002 ordinary shares, representing 24.4 per cent of Wilson's share capital, and it's pension fund owns 240,000 ordinary shares, representing 5.7 per cent.

The group aiready owns 2,813,002 ordinary shares, representing 24.4 per cent of Wilson's share capital, and it's pension fund owns 240,000 ordinary shares, representing 24.4 per cent of Wilson's share capital, and it's pension fund owns 240,000 ordinary shares, representing 24.4 per cent of Wilson's share capital, and it's pension fund owns 240,000 ordinary shares, representing 24.4 per cent of Wilson's share capital, and it's pension fund owns 240,000 ordinary shares, representing 25.7 per cent.

indicated that they intend to accept the offer in respect of their holdings.
Full acceptance of the offer will involve the issue of 2.902.084

which will be declared and hecome payeble on the offer hecoming unconditional.

Mr. F. R. Kerry, chairman of Fine Art, sald yeaterday that his group had been talking to Wilson " on and off for 12 years The combined group should achieve a lot of cost savings."

in its last reported financial year, ending March 1979, Fine Art declared pre-tax profits of £5.5m. Wilson's taxable profits for the same period were £1.02m.

At the balfway stage in the yeer ending March 31, 1980, Fine new Fine Art shares and a pay-ment of some £1.62m in cash.
Wilson shareholders will be entitled to receive and retain a

### Merger can bring **Bowring benefits**

world's lergest insurance broker, for C. T. Bowring has been despatched.

Marsh is offering shares and 193 cash for every 100 Bowring ordinary shares. For each preference Marsh is offering 87p cash; for every £100 10 per cent convertible stock 4.35 of Marsb shares and £134.85 cash; and for every £100 5 per cent convertible stock three shares and £93 cash. In addition ordinary holders of

says that the offers, after the racent increase "represent an ring Group." The directors are than 20 per cent of the equity Oo completion of the bid four

directors of Bowring are to jin the Marsh Board. They are Mr. G. A. Coke, Mr. I. R. Binney, Mr. E. R. H. Bowring, and Mr. Peter Bowring. Three Marsb directors will join Bowring. They are: Mr. John Regan, chairman, Mr. Robert Newhouse, Jr., president, and Mr. Bruce Schnitzer, vicepresident and chief financial

Mr. Bowring tells shareholders that for over 70 years Bowring

The offer document detailing has had a close business relation the £214m bid by Marsb and ship with Marsh and McLennan, McLennan of the U.S., the which places a significant volume of insurance and relusurance husiness in the London market, of wbich a substantial propor-tion is handled by Bowring. "In spite of the disagreements

which have occurred during the past few months, your directors believe that this relationship can he developed in the future to briog considerable benefits to the merged group, of which Bowring will be a major constituent, Mr. Bowring says.

In addition ordinary holders of The document explains the Bowring will be entitled to arrangements which Marsh has receive the final dividend of 4.53.

Mr. Peter Bowring, chalrman.

Mr. Peter Bowring, chalrman.

made with Lloyd's over implementation of the Lloyd's 20 per says that the offers, after the cent rule. In April 1978 Lloyd's stated that no outside insurance at Ldoyd's.

Lloyd's had said that if, after acquiring the insurance broking interests of Bowring, Marsb transferred 75 per cent of the sbares in Bowring's Lloyd's insurance broking subsidiaries "to enother owner screptable to Lloyd's hy the end of 1980" Lloyd's would have no objection.

On April 9, Marsh reached an agreement with Lloyd's in principle under which Marsh will he permitted to comply with such arrangements in a manner which substantially retains the economic benefits of owning anch subsidiaries and Bowring'a Lloyd's underwriting agency subsidiaries, and in 2 manner which permits Marsh and McLennan to incinde such economic benefits in its reported consolidated anancial statements."

On the merchant bank Singer and Friedlander, Marsb and Bowring have discussed their mutual wish that Singer ahould retain its membership of the Accepting Houses Committee. Marsb and Bowring intend to explore, in consultation with the authorities, the disposal to third parties (which may include members of the present management of Singer) all o part of the capital of Singer presently owned by Bowring.

TDG ACQUIRES CARRINGTON STEEL

Square Grip, the steel einforcement subsidiary of reinforcement subsidiary of Transport Development Group, bas acquired for £285,000 cash the wire producing business and assets of Carrington Steel Wire Company.

The assets include a freehold

site of about five acres near Sheffield with factory, plant and machinery and offices.

ASSOCIATE DEALS On April 25, Hoare Govett hought 40,000 S. Hoffnung and Co. at 88p and £1,174,884 Hoffnung 12 per cent convertible unsecured loan stock 1985-90 at £1001 on hehalf of Burns Philp and Co. In total, Burns Philp has now purchased 3,297,885 ordinary and £1,174,884 12 par cent convertible unsecured loan stock 1985-90.

ı	łΙ	SPAIN		
ļ	4 1		Price	
ľ	ł	April 29	%	+er-
ł	1	Banco Bilban	208	-2 -2
ŀ	11	Banco Cantral	224	-2
ı	li	Banco Exterior	206	
I	IJ	Banco Hispano	205	
J	1	Canco Ind. Cat.	125 .	
ł	4 (	Ranco Madrid	143	-3
ì	11	Reaco Santander	247	-1
1	1 1	Banco Urquijo	140	
ı	Ił	Banco Vizcaya	215	~1
۱	łI	Banco Zaragoza	200	
1	ŀ	Dragados	90	-3
ł	Ł	Espanola Zinc	60	
l	IJ	Fecse	58.7	
ŀ	1 1	Gel. Preciedos	27	
Ì	•	Hidrola	64,2	+0.
Į		Iberduero	58,5	-/2
١	ŧ۱	Patroleos	102	-2
ì	8·	Pairofiber	59	
1		Sogefisa	107	
4	7	Telefonica	54	
•		(Alalounta Immerator		

# S. Pearson to make over £20m bid for Fairey Holdings

THE S. Pearson group confirmed yesterday that it would make an offer of over £20m for Fairey Holdings, the engineering com-pany which becama part of tha National Enterprise Board after being rescued from receivership

two years ago.
"We are going to put in a hid," said Mr. Peter Medd, a member of the board of the diversified publishing and china products group whose Doulton aubsidiary, of which he is chairman, will make the ectual

He declined to give any details ahead of the formal offer, 10 be made this morning on the final day that bids have to be in. But he agreed that it would have to exceed the £19.5m in cash already offered by Hambros Bank and thus be at least £20m.

Also considering whether to bid for Fairey yesterday was Thomas Tilling, the industrial group with wide-ranging interests which have recently been ex-tended by several U.S. acquisi-

decision.

tions.
"We're looking at it," commented Mr. Petrick Meaney,
Tilling's chief executive. By
yesterday evening, however, the
company had not come to a final
decision.

Once all the various bids are and Co.

TOTAL VOLUME IN CONTRACTS

in, it will then be up to the NEB to make its proposal to Sir Keith Joseph, the Secretary of State for

sales of ahares to employees. The group's management does not appear to relish the idea of being taken over hy a single company and becoming a division of a larger group.

Industry. Fairey itself clearly

prefars the Hambros approach which would provide for an

eventual public flotation and

Mr. Medd said he helieved that mr. Medd said he heneved that the acquisition of Fairey, whose pre-tax profits were just over £5m last year, would create e hetter halance of activities with-in Doulton, which is involved in engineering as well as china and

"I think that Fairey is a highly technological company with considerable potential in nucleer power and defence work and in military and civil avia-tion," he said.

JOHN BROWN

SHAREHOLDERS OF Leesons Corporation have epproved e merger proposal wherehy company will become a wholiy-owned subsidiary of John Brown

### EUROPEAN OPTIONS EXCHANGE Series Vol. | Last | Vol. | Last | Stock

	eries	Vol.	Last	Vol.	Last !	Vol.	Last	Stock
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OAZ C SIE C SIE O SLB C SLB C VEB C	540 DM, 240 DM, 260 \$100 \$120 OM, 140	12 1 1 1 14	ay   1   5   -   1,50	1 1 45 47	26 15 812 414	1115		\$376 11M280,89 \$10678 DM152

P=Put

# **CLIFFORD'S**

# **ANOTHER**

The Chairman, Mr. Gordon Clifford, in his statement says

I em pleased to report another successful year in all parts of the business. Turnover is up 43% to £41.6 million and profits up 53% to £2.3 million. We have increased the dividend by 41%, partly to compensate for several years of governmental restrictions which ended last year.

### Rights Issue

In order to help towards financing further building work and naw plant the directors propose to raise approximately £1.5 million by e 1 for 4 rights issue.

It is too aarly to forecast the results for the current year; however, treding levels for tha first quarter ara ancouraging.

1978

29,119

1977

19,456

1976

### Frank Yeers' Progress £'000 1979 41,638 Turnover

Profit before Taxation 2,279 1,490 879 945 Taxation 569 332 Profit after 1,731 921 634 Taxation Dividend -**3.0p** 2.128p 1.906p 1,733p times covered 5.9 4.5 5.4

Copies of the Annual Report and Accounts for the year to 31st December 1979 may be obtained from The Secretary, Clifford's Dairies Ltd, Western Rd, Bracknell, Berkshire, RG12 1CA.

Earnings per share 17.88p 11.70p 10.36p 10.00p

### Announcement by The Association of **Investment Trust Companies**

Investment Trust Table Correction

In the Table published on page 25 on Saturday, 26th April, 1980, the beadings to the columns were incorrectly stated and should have read:—

Cols. 1-5 As at the close of husiness on Monday, 21st April, 1980.

Geographical spread at 31st March, 1980. Total return over 5 years to 31st March, 1980.

# Uverseas

Highlights from the Statement of the Chairman, Financial Highlights Mr. Leslie Fletcher, to the shareholders of Glynwed Limited.

- Despite the effects of the road haulage dispute and the engineering strike Group profits, before tax, were a record £18.684 million.
- Success of Building & Consumer Products Divisions and overseas companies are major factors in profits increase.
- Directors recommend same net final dividend as 1978.
- The base has been laid for the positive growth of the company

Dividends per ordinary share

		~~~
Turnover	345,521	316,437
Group trading profit	23,385	19,978
Interest charges	4,701	3,898
Group profit before taxation	18,684	16,080
Group profit attributable to ordinary shareholders	11,061	10,858
Ordinary dividends	5,974	5,973
Group profit retained	5,087	4,685
Operating assets employed	118,728	105,052
Capital expenditure	9,001	101,8
Depreciation	4,904	4,413
Earnings per ordinary share	basic 19.29p	
	fully diluted 18.87p	1738

1979

£000

9.15p

GLYNWED

1979 Report & Accounts.

To the Secretary, Glynwed Limited, Headland House, New Coventry Road, Sheldon, Birmingham B263AZ. Please send me a copy of the

Name Address

Knwait International Investment Co. s.a.k.

IBI International Limited

ş.

Morgan Guaranty Ltd. Société Générale de Banque S.A.

ENTE NAZIONALE PER L'ENERGIA ELETTRICA U.S. \$ 200,000,000 Floating Rate Debentures due 1987,

> at the holders' option, into 10 % Fixed Rate Debentures due 1995

these Debentures may be converted,

Guaranteed by the Republic of Italy

Société Générale

Bank of Tokyo International Limited Banque Nationale de Paris Barcleys International Gross

# **AURORA** 1979 RESULTS IN BRIEF

	1979	1978
·	£000	£000
Sales	103,489	66,624
Trading profit	7,171	5,654
Profit before taxation	3,801	4,311
Dividends per share	6.16p	5.90p
Earnings per share	11.29p	16.90p

The Chairman, Mr. Robert Atkinson reports:

- Results demonstrate resilience under unfavourable conditions
- Gross dividend maintained
- Considerable progress towards integration of newly-acquired Edgar Allen Balfour Limited
- Further strengthening of the Group Board
- Confidence in ability of management to surmount uncertain trading and economic conditions

Copies of the Report and Accounts will be available shortly from The Group Secretary, Aurora Holdings Limited, Nether Lane, Ecclesfield, SHEFFIELD \$30 3TR

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# **Holdings**

The vehicle distribution and engineering group

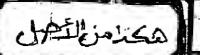
### **OPERATING PROFIT UP 28% TO £1.85M**

Points from the Review of the Chairman, Mr. Thomas Kenny, F.C.A.:

- A year of considerable change substantial increases in share capital and reserves.
- Group turnover advances 26% to £75:26M.
- Growing profit contribution by engineering companies.
- Operating profits the highest the Group has ever achieved.

Copies of Report and Accounts are available from the Secretary

Dorada Holdings Ltd - Dorada House - Dorking - Surrey RH4 1RB



MINING NEWS

# De Beers still expects a 'satisfactory' year

BY KENNETH MARSTON, MINING EDITOR

of uncut stones by the Central the past."
Selling Organisation have been The ne higher so far in 1980 and the current level of them "is likely to be maintained for the rest of

He considers that "While the industry is not without its problems, it is on the whole satis-factory and this, taken together with our growing diversified holdings in other businesses, gives good reason to expect actisfactory results for the present

In a nutsbell, demand remaina atrong for the larger gem diamonds of over one carat, but smaller sizea and high interest iold stocks at the cutting centres
As far as the industrial diamonds are concerned, the group's synthetic diamond plants are taking advantage of an increased demand for their product as e result of e fall in the supply of the tiny natural stores.

Including in Gold Fields to neyond 29.9 per cent—when a full offer for all the capital would be mandatory—and it will not seek any change in control or manthe supply of the tiny natural stores.

Last year the cooler conditions in the diamond market resulted in

ALTHOUGH THE fire has gone Beers is now "very much more increased by Ri54m to R409m out of the market for diamonds, than a diamond mining company. On the other hand, taxed out of the market for diamonds, than a diamond mining company. On the other hand, taxed Mr. Harry Oppenheimer, chair. It has therefore achieved a investment income increased by man of De Beers says that sales greater solidarity than ever in

The net market value of its investments—outside the diamond industry—last year rather more than doubled to R2.28bn (£1.27bn) and benefitted from the acquisition of a further 5 per cent in Anglo American Corporation (making 38.5 per cent), a further 3 per cent in Minerals (making almost 16 per cent) and and Resources Corporation (making almost 16 per cent) and just under 5 per cent of Con-solidated Gold Fields.

Following the sharemarket operation in Fehruary this year, De Beers increased its stake in Gold Fields to 25 per cent and sold half of it to Anglo American. As already reported, the Anglo group has attacd that it does not intend to increase its holding in Gold Fields to hevend holding in Gold Fields to heyond

But a feature of Mr. Oppenheimer's latest annual statement with the De Beers report is his massive" investments ontaide the diamond industry De in the diamond market resulted in De Beers' in pre-tax profits on diamond account falling by R125m to R831m in line with higher costs and reduced sales from old stocks of diamonds held at low prices; diamond stocks in th diamond market resulted in

### Leap in MIM earnings

case metals mining group, had a spectacular jump in earnings luring the first three quarters of

Boosted by higher metal prices, net profits rose to A\$172.8m (£84.8m) during the 40 weeks to April 8 from A\$66.2m in the same period of 1978-79. This puts MIM on course for the highest annual profits ever earned by an Australian company.

But MIM is cautious about

prospects, noting lower speculative interest in precious metals and the fall of the copper price. economic downturn will have a while North Bro depressing influence on metal rose 5p to 147p.

prices, the directors warned. Similar factors could held back the earnings growth of North Broken Hill, the New South Wales mining and investment house. But its latest figures show the effect of higher prices. Net profits in the nine months to March were A\$26.78m (fil3.1m) against A\$11.85m in the same period of 1978-79.

Mining income rose to A\$14.92m, of which A\$5.9m came in the most recent quarter, from climbed to A\$11.74m from A\$5.78m.

and the fall of the copper price. In London yesterday MIM Higher interest rates and a likely shares were 5p lower at 197p, economic downturn will have a while North Broken Hill shares

R78m to R312m mainly because of high revenue from gold earn-ings reflected in dividends from Anglo American. Other major dividend increases were provided hy the holdings in the AECI industrial group and De Beers Botswana Mining.

Even so, diamonds will continue to be the mainstay of this true worth of the group in that it cannot reflect today's full inflated costs of establishing the diamond mining operations and

in 1985; last year it rose to just on 14m carats from 12m carats in 1978, most of the increase comping from ORAPA mine in

U.S. economy—the world's major market for diamonds—and this is not very good at the moment per cent announced last September and a subsequent 12 per cent in February of this

well provide a higher revenuerise when inflation is taken into

# cents (465p) per share com-pared with R19bn a year pre-viously; this understates the

its search for new mines—parti-cularly in Namibia where the existing 'operations are "over the hill"—and expects to raise

Looking to current year's pros-But the group will have the full year's benefit of the average diamond price increases of 13

Non-diamond interests may especially gold—and, overall, it seems that De Beers profits will show a useful, but not exciting,

Depending on the further leave room for a modest increase rate, but the interim due in August should not be taken as : guide to the total because the group intends to reduce the disparity between the sizes of interim and final dividends. The shares were 378p in London yes

# Hanger expecting midyear fall

PROFITS of Hanger Investments per cent first mortgage debenture considerable production difficulfor the first half of 1980 are stock 2004, issued by Winston to likely to be materially lower than those of last year, Mr. P. D. Adams, chairman, tells share the best grown of the company.

This is the first time that Winston to the time of the interim statement when group profits improved the company of the company. holders in his annual review.

He says there are no indications to give rise to optimism in the short term, and it is not possible to forecast the state of the interim statement when group profits improved from £236,444 to £309,000.

Mr. Hodgson says that several countries plan substantial invasting the countries plan subs

possible to forecast the final out- statement. come for the year.

The chairman explains that

resulting in severe pressure on margins." able orofits rose by 16 per tent to £2.71m (£2.34m) for 1979,

despite an increase in charges from £4.4m to £8.1m. The divi-dend is hoosted to 3p (0.5p) per for 1980 at 1.75p net.

automotive division suffered from delay lo fulfilling outstanding orders for the new Ford vehiclea, but the supply position improved considerably later in the year. All divisions in the Ford dealerships traded successfully, Mr. Adams states.

In September, the group acquired its first Vauxhall dealership at Scotts Corner.

Harlesden, London, The group's fleet of passenger and commercial vehicles, in the leasing and rental sector, con-tinues to increase; the acquisition in December of Polar Con-tract Motoring, for £715,000, has added a further 1,500 to the

As at December 31, the halance sheet shows fixed assets of £10.27m (£7.05m) and net

current liabilities of £252,947 compared with asseta of £1.18m -secured hank overdraft was f4.63m (£891,410).

Meeting, Birmiogham, on May 28, at 2.30 pm.

### Warning by Winston

Eagle Star has advanced £2.3m to Winston Estates, the property-company, for purchases of industrial and warehouse property in Blackpool and Oldham. The loan-is in the form of a £2.3m 11.9

holders that, in 1980, a major

with the economic downturn and part of Winston's cash resources the current high level of interest will be employed oo the huilding rates, "there is a very competi- work at Oldham. Completion is tive trading scene which is not expected in time for other work at Oldham. Completion is than a very modest part of the affected.

However, the directors intend

Pre-tax profit last year was £292,000, against £214,000, as reported on March 21. Group fixed assets were up from £4.22m to £5.35m at halance date. Current assets totalled £1.62m (£0.34m), including bank balances and cash of £1.5m (£85.079). Current Ilahiliamounted to £577,711 (£344,699).

### Second half loss hits Petrocon

LOS5 of £156,412 in the second A LOSS of £130,212 in the second half against a profit of £10,801, resulted in pre-tax profits of Petrocen Group falling from £246,80t to £152,588 for 1979 as a whole. There is no final dividend, against 3.3601p last time. A maintained interim dividend of 1.514p has been paid.

The board does out anticipate

any material improvement in trading results until the second six months of the current year.
Mr. Peter Hodgson, the chairman, says the main reason for the sethack was poor performances at Ashford Controls, where there was a loss of £447,000, after a substantial provision against

### RESULTS AND ACCOUNTS IN BRIEF

ATLANTA, BALTIMORE AND CHICAGO (157,000 (£109,000),
REGIONAL INVESTMENT TRUST — Pre- piofit £84,000 (£132) 1830-1844. INVESTMENT TRUST — Pre-tax revenue for helf-year to March 31. 1980, £38,624 (£52,071): tax £17,866 (£26,293). Net asset vetus par 10p share 62e (70.1e at Septembor 30. 1978). Boord ontic:pates that are-tax snare use (10.1e at Septembor 30, 1979). Board onticipates that ere-tax revenus ler the second hall will be similar to that of this list. Outstanding lose drawn under the company's multi-currancy lose locility have been repeid by purchosing dollars with sterling mointy provided by the eals of artists Government stocks.

al Aritish Government stacke.

BELGRAVE (BLACKHEATH) (lorger, mechinist, bolt and not monutacturer)

—Turnover for year to January 31, 1980, 23,82m (£3.86m); pre-tee profit £32,169 (loss £95,310); res £15,707 (credit £30,179). Olvidend 1.5p (1p).

GLASGOW: PAVILION—No dividend (sems) ler year to October 31, 1979.

Turnover £447,735 (£450,690). Loso £7.083 (less £17,269). No tax (seme). H. GOLDMAN (wholosaler of hardware, clocky and watcheo)—Dividend for year to October 31, 1979. O.7p (1p) net. Sales £3,64m (£3,18m). Loss £35,47 (£15,760) beliet tax £371 (£14,000). Loss por 10p share 3,7740 (0.849p). Directors soy adverse market conditions continued in second hell. As result, sales targets not met but improvement seen lor current year.

P. ANO W. MACLELLAN (enginearing, steal stockholding)—Turnover for 1979 £5,881,000 (£5,805,000), pre-tax profit £134,000 (£563,000) efter interest BELGRAVE (BLACKHEATH) (lorger,

E15,000 (£132,000) oller tag profit £84,000 (£132,000) oller tag £17,000 (£19,000) estreerdinary debits £53,000 (£2,000) Final dividend 0.93p

E53.000 (F2.000) Final dividend 0.93p nct making 1.42p (same). Beard plates that his recently announced closure will make a oubstantial reduction in borrowings and interest charges.

SCHTTISH ONTARIO INVESTMENT COMPANY—Final dividend 2.15p, mexing 3.15p (2.4p) lee the year ended March 31, 1980. Grose revenue £1,62m (£1.3m). Eernings (including 0.43p (nil) non-recurring income 3.47p (2.48p) per share. Net exset value—prier charges of part 78.8p (\$3.0p). prior charges at part 78.8p (93.0p) prior charges at market value 80.2r TEXTILES—Turngver

UU TEXTILES—Turnover let six months to Decembor 28, 1978, £3.31m (£2.57m). Trieding profit £14,200 (£73,800]. Finance charges £96,900 (£49,300). Loss £32,700 (profit £24,500). Extraordinery debit £9,100 (£4,900). Loss per £5p chare 3.65p (sornings 1.01p). No tax. No interior (£49,00) on April 14 contracts exchanged for sale ef \$7/17 Torner Street, London, for estimated £242,000 net against beok veluo of £298,810 st, June 29, 1978. Continuing re-organisation plus high level of borrowinge affected resolts. Two freshold properties recently sold and one currently being gold, in effort to reduce borrowings. Effects of this will have little effect on results for current six months but sheuld be seen next year.

and Ashford should accordingly.

Ham Baker's results were adversely affected by the adversely affected by the engineers strike and the company was unable to repeat its record output of the first half. Oil service interests produced good results and these are ex-pected to continue through 1980. Swire Petrocon, an associate in south-east Asia, performed parti-

### Heavy losses for Blackwood Hodge (Canada)

C\$240,000 to \$436,000, Blackwood Hodge (Canada), 'a aubaidiary of Blackwood Hodge, distributor of earth moving equipment, reports a loss of \$399,000 (profit (\$24,000) in the three months to March 31, 1980.

Turnover was higher at \$27.35m (\$26.55m). There is a loss per abare of 16 cents (1 cent earnings).

# Luis Gordon jumps by 160% and sees more growth

Gordon Green, sherries, wines and spirits importer and distributor, jumped by 160 per cent to £475,000 for 1979, compared with Although the UK sherry market 150 000

fiso 000 is 15/8, compared with fiso 000.

From earnings of 8.18p (2.85p) per 10p share the dividend is boosted to 1.5p (1p) net.

Turnover growth (volume increase was 16 per cent) reflects.

the increase, in Domect Sherry sales, the directors state, and in developing sales of the group's other hrands. For the current year, directors

say that the economic climate will have a heavy influence on some quarters, so it is hoped that e further growth in profits will be achieved.

At halfway, the seasonal loss was reduced from £268,000 to

£110,000 Tax
Net profit ;
Extraord, credit
Available
Dividend

There was an extraordinary McCleery I Amie. However, a credit of £227,000 for the year, bid is conditional upon the being an exchange gain resulting. McCleery board's agreement, from repayment of the group's which has not been given, so no U.S.\$1.85m subordinated loan formal offer has, as yet, been Shareholders funds as at Dec- made

ON TURNOVER up by nearly 25 ember 31, 1979, amounted to per cent from £12.95m to £1.95m (£137m) representing

profit to El.2m. Domecq sherries. Other Ines of port Scotch and Spanish wines and group results. However trading in 1975, the group is now boost-performance so far is shead of ing its promotion budgets to the same period in 1975, and they build market share. Interest feel that the duty increases are costs remain high as basic perhaps less than especied in borrowings—not including loans borrowings—not including loans to pay Government duty in advance—are more than double franchise is renewed in September, 1986. The shares gained 2p to 56 resterday, making the yield 3.9 per cent, while the fully taxed p/e is 12.9.

### McCLEERY

.. Saturday's summary of the week's company news contained

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Ten dividend

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dis Bank C. Kurt

# Rotork Limited Valve actuators, instrumentation design and engineering.

specialist woodworking machinery and Sea Trucks.

1979 results	
£m 1979	1978
Turnover 19.18	18,85
Profit before taxation 2 3.18	3.30
Taxation 1.53	1,44
Profit after taxation 4.65	.1.86
Extraordinary items, etc. 0.32	0.16
Profit after extraordinary 1.33	1,70
Dividends. 0.52	0.28
Retained in business 0.81	1.42
Earnings per ordinary share 8.1p	9.7p
Dividend per ordinary share = 2.00p	1.31p

### Extracts from review by the Chairman, Jeremy Fry:

Group turnover increased marginally in 1979 and pre-tax. profit was 3.6% lower. The Controls Division correctly anticipated the difficulties to be faced in introducing three new product ranges into a highly competitive global market when the gound is strong. In these difficult conditions this Division's results were commendable. Rotork Marine moved strongly into profit.

The new product introductions in Controls and a sustained position in Marine are two good reasons for the Group to be looking for an encouraging year in 1980; However, we must retain a degree of caution. The continuing strength of sterling against all the major currencies in which our export-based Group trades is of particular concern.

Copies of the annual report are available from The Secretary, Rotork Limited, Bath BA1 3JQ.

rotork



### ACE BELMONT INTERNATIONAL LIMITED

Interim Report
for the six months ended 29th February 1980 UNAUDITED TRADING RESULTS

	_6_months ended	6 months ended 28.2.1979
ender in derigien	£000's	£000's
Sales to external customers	16,119	12,484
Group trading profit	865	712
Bank interest payable	115	17 ÷
Group profit before taxation	750	695
Estimated taxation	390	362
Group profit after taxation	360	333
Extraordinary item	स्थापन के एक प्रश्ना की ते की है। <u></u>	95
Group profit after taxation attributable to members of	P. C. Landing	
the Company	360	238
Preference dividend of 5p per share	104	104
Profit retained	256	194-4
Farnings per chare	THE RESERVE OF THE PARTY OF THE	144 1845 G

• Group sales up 29% • Group trading profit up 21% SWINEMOOR LANE, BEVERLEY, NORTH HUMBERSIDE, EUI TOLI

# mon engineering ltd

, n	and 4	Food engineering; manufacturing; process plant contracting; merc	hanting & sto	rage; oil services
More	.तती	Preliminary Announcement for the year ended	31 Decembe	er 1979
more	grow.	GROUP RESULTS	. 1979 £000	1978 £000
	. "	Turnover	323,904	235,601
		Trading Profit Shere of profits of principal essocieted companies Interest receive ble less peyeble	16,262 648 1,634	14,865 627 1,114
		Profit before tax and exchange differences	18,544 (5,547)	16,606
		Profit after tax and before exchange differences.  Minority interests.	12,997 (1,137)	9,536 (681)
-	\$ \$	Profit before exchange differences, attributable to Simon Engineering Limited Exchange differences	11,860 (538)	8,855 (348)
		Profit after exchange differences	11,322	8,507
		Dividends paid: Preference shares: 6% (now 4.2% plus tax credit)	39	39
	lo M	Interim 4p perahare (1978 – 3p)	994	621 16
		Ordinary shares of 25p each: Final 7.33p per share (1978 – 6.0625p)	1.821	1,256
	(m) (m) (m)	Profit retained	2,854 8,468	1,932 6,575
	**************************************	<b>建</b>	11,322	8,507
	b:	Earnings per ordinary share:  **Before exchange differences  **After exchange differences	5 <b>0.7</b> p <b>48.4</b> p	41.8p 40.1p
	M (Fill)	ANALYSIS BY ACTIVITY	1979 £000	1978 £000
	1	Turnover Food engineering Manufacturing Process plant contracting Merchanting and storage Oilservices	67,904 48,460 123,113 76,676 7,751	58,001 43,485 73,918 60,197
-			323,904	235,601
Limit	5 ha	Profit Food engineering	5,273	5,322

Associate	d compani	es				 	
Interestre	ceivable le	sspay	able			 	
				•		٠.	
		• .			:		

- non-recurring .....

Central expenses - normal ......

The group's accounting policies are unchanged from hose of 1978.

Limited

(TIONAL LIMITE

1. 1 4

> Depreciation of £4,296,000 (1978 £3,191,000) has been harged in arriving at trading profit.

> The tax charge for 1979 has been reduced by £1,773,000 in respect of stock relief made permanent by the Finance (No. 2) Act 1979, and is comprised as follows: 1979

	£000 £000
Simon Engineering and its subsidiaries Associated companies Prior year adjustments	5,578 6,914 152 236 (183) (80)
	5,547 7, <i>070</i>
4 0 4 4 4 4 4 4	· ·

i. Ordinary dividend The directors recommend a final dividend of 7.33p per ordinary share, making a total dividend for the year of 11.33p per ordinary share (gross equivalent 16.1857p, 1978 13.1422p). The final dividend, if confirmed at the Annual General Meeting to be held on 16 June 1980 will be paid on 1 July 1980 to members registered on 3

5. Earnings per share Earnings per share are calculated by dividing earnings of £11,821,000 before and £11,283,000 after exchange differences (1978 £8,816,000 and £8,468,000) by the

Manufacturing ..... 1,692 3,803 Process plant contracting..... 3.637 3,175 Merchanting and storage ..... 5,972 3,059 Oilservices ..... 17,126 15,359

NOTES

weighted average number of shares in issue during the year, adjusted in accordance with accounting standard SSAP 3. 1978 comparatives have been adjusted by the appropriate factor, following the rights issue.

771

16,262

1,634

18,544

93

648

664

(170)

627

87.1 70.1

14,865

1,114

16,606

6. Balance sheet The changes in the balance sheet reflect the rights issue and the acquisitions made during the year:

Fixed assets and associated companies  Cash and deposits, less nverdrafts  Other net current assets	13.9	1978 £m 41.4 28.3 0.4	
	87.1	70. I	
Shareholders' funds	57.0	41.6	
Minority interests		6.4	
Loan capital	9.4	9.8	
Provisinn for pensions		0.8	
Future and deferred taxation		11.5	

7. The future We shall not be immune from the effects of the more depressed UK and world economic trading conditions in the immediate future. Nanetheless we have been deliberately widening our base of international operations and markets over the past few years, which provides some protection in the present and a secure basis for the future.

After six years of profit improvement we shall strive to maintain this record in the current year. 28 April 1980 SIMON ENGINEERING LIMITED CHEADLE HEATH STOCKPORT CHESHIRE SK3 ORT

All these securities having been sold, this advertisement appears as a matter of record only.

# **DENKI KAGAKU KOGYO** KABUSHIKI KAISHA

U.S. \$15,000,000 11 PER CENT. CONVERTIBLE BONDS 1990

ISSUE PRICE 100 PER CENE

The Nikko Securities Co., (Europe) Ltd.

J. Henry Schroder Wagg & Co. Limited

Merrill Lynch International & Co.

Banque de Paris et des Pays-Bas

Dai-Ichi Kangyo International Limited

Westdentsche Landesbank Girozentrale

Bank Brussel Lambert N.V.

Amsterdam-Rotterdam Bank N.V.

Crédit Lyonnais

Alahli Bank of Kuwait (K.S.C.)

The Nikko Securities Co. (Asia) Limited

Kuwait International Investment Co. s.a.k.

Algemene Bank Nederland NV

BSL Underwitters Limited

Banca del Gottardo Bank Gutzwiller, Kurz, Bungener

Banque Internationale à Luxembourg S.A. Cazenove & Co. (Overseas)

Baring Brothers & Co., Limited Dai-ichi Securities Co, Ltd. Daiwa Europe NV.

James Capel & Co.

Dewaay & Associés International

Genossenschaftliche Zentralbank AG

Robert Fleming & Co. Limited Kleinwort, Beason Limited ITCB International Limited

New Japan Securities Europe Limited Nippon Kangyo Kakumaru (Europe) Limited

Nomura Europe NV Pierson, Heldring & Pierson NV - Sanyo Securities Co. Ltd. Singer & Priedlander Limited - Vickers de Costa International Ltd. Varnaichi International (Europe)

**APPOINTMENTS** 

# **New directors** for Pirelli

Mr. F. Pittini bas joined the Board of PIRELLI LIMITED in place of Mr. A. Rossetti. Mr. Pittini is also chairman and managing director of Industrie Pirelli SpA. Mr. B. F. Earl, who became sales director, tyres, at the heginning of this year, bas also been appointed to the Board of Pirelli Limited Mr. Earl joined the company in 1950 and was formerly managing director of Central Tyre Company, a sub-

A. W. Frost has been appointed chairman of C. E. HEATH AND CO. (MARINE).

Mr. Fred Thomas has been appointed managing director of INTERNATIONAL CARRIERS, recently formed by National Carriers and International Ex-press. Mr. Thomas remains a director of International Express.

Professor Roland Smith has heen elected chairman of TSMPLE BAR INVESTMENT TRUST in succession to the late Mr. A. F. Roger.

Mr. David Ambrose has joined the partnership of SCOTT GOFF, HANCOCK AND CO., stock-

Mr. Basil M. Sandelson has retired from partnership with BENDON LANGNER AND CO., stockbrokers, but continues with the firm as. a consultant.

Dr. R. J. Clark has re-linguished his position as tech-nical director Central Resources Unit, GLYNWED GROUP SERVICES, but will remain technical consultant to the group.

Mr. Kenneth Rushworth will retire as chief executive officer of the BURNLEY BUILDING SOCIETY in September and will be succeeded by Mr. John F. Richardson, a deputy general manager. Mr. Rushworth will continue as a director.

Mr. A. B. Burnham has been appointed managing director of DRAGOCO (GREAT BRITAIN) for the fragrance division. Mr. Sydney.

P. B. Thomason has been made chairman of the company in the UK.

place of Mr. C.-H. Gerberding Mr. N. A. Smith has become

Mr. G. H. Moss has been appointed a director of H AND H FACTORS, a subsidiary of Walter E. Heller International.

JOSEPH CARTWRIGHT board appointments: Mr. Ren L Rees becomes chairman of Davie Middleton and Davies and has heen succeeded as managing director by Mr. David J. Offord.
Mr. Arthur C. Allen is now
managing director of Hayward
and Wooster and Mr. Raymond
F. Preston, managing director of
J. Cartwright Developments.

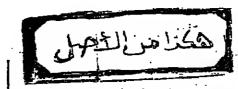
Mr. Alasfair Macintyre and Mr. Raymond G. F. Coninx have been appointed directors of TULLETT AND RILEY (FINANCIAL SER-VICES) COMPANY, a subsidiary

Mr. John H. Kenefick, Jnr., has mr. John H. Renenck, Jur., has heen appointed president of the Pittsburgh hased PULLMAN SWINDELL division of Pullman Incorporated. He remains with the Pullman Kellogg division, where he is currently senior vice president of worldwide engineering and construction operations.

Mr. A. J. Hadfield has been appointed a director of STREETERS OF GODALMING.

FIBREGLASS lias appointed Mr. John Currie as managing and Mr. High Gair as managing director of its reinforcements/ Cemfil division. Mr. Bill Snowden, an executive director of Pilkington, remains chairman of its glass fibres division and chairman of Fibreglass. The posts of managing director of these two operations, which Mr. Snowden had also held, are now discontinued.

Mr. Derrick Plummer bas been appointed NATIONAL WEST-MINSTER BANK'S senior representative in Australasia, hased in Sydney. He succeeds Mr. Leon



This announcement appears as a matter of record only

Swiss Francs 40,000,000

Unsecured medium term loan facility

Arranged by

BANQUE KEYSER ULLMANN EN SUISSE S.A

Provided by

NORDFINANZ-BANK ZURICH BANQUE KEYSER ULLMANN EN SUISSE S.A. HANDELSBANK N.W. LLOYDS BANK INTERNATIONAL LIMITED, GENEVA **BANCA DEL GOTTARDO** 

> BANCA DELLA SVIZZERA ITALIANA Agent

BANQUE KEYSER ULLMANN EN SUISSE S.A.

# 1979 – a year of new developments



of the Proprictors of the Bank of Scotland will be held on 20th May within the Head Office, Edinburgh. The following is on extract from the statement by the Governor of the Bank, The Rt. Hon. Lord Clydesmuir, K.T., C.B., M.B.E.

I am pleased to report a record Group Operating Profit for the year ended 29th February 1980 of £39,859,000 an increase of 24% over the figure for the previous year. Adding in our share of Associated Companies' profits brings out a total of £42,289,000.

Of the various components of the Group, Bank of Scotland itself contributed £8.5 million additional profit, representing an increase of 37%. The improvement arising from the higher level of interest rates was modified by our decision to narrow significantly the margin below Base Rate of our deposit rates from June 1979 so that the benefit of higher rates

was passed on to our depositors. Commissions and service charges showed a useful increase, but sales of Government stocks crystallised a net book loss of £1.3 million compared with a modest gain last year. The Bank's operating expenses rose by some 16%, in which the major contributory item was the two pay settlements during tha year which increased salary costs by 21%. Finally, the charge for bad and doubtful dehts proved greater this year and these adverse factors, in aggregate, have offset a substantial part of the short-term benefit accruing from high interest rates.

North West Securities Ltd., together with their Associated Companies, contributed £8,006.000 to Group Profit, very similar to last year. Successful penetration into the growing field of 'in-store credit' and the continuing high reputation of IBOS Finance in the leasing field were notable features.

The British Linen Bank Ltd., produced a contribution to the Group results of £3 191 000 which represents a small reduction companies.

results of £3, 191,000, which represents a small reduction compared to last year. With substantial growth in the volume of business being handled and the successful establishment of their London Offica, The British Linen Bank should go from strength to strength.

The profit pattern of North West Securities and to a lesser extent that of

The British Linen Bank are contracyclical when compared with nur Clearing Bank operations and whilst this can bold back Group profits when rates are high it should stand us in good atead when rates begin to

Dividend Increased Your Board recommend payment of a Final Dividead of 7.75p per £1 Capital Stock, making a total for the year of 15p compared with 12.248p last year, an increase of some 22%.

Balance Sheet Strength
Tha Bank's Balance Sheet shows Deposits at £1,863 million and Advances
of £1,516 million. The Consolidated Balance Sheet shows total resources

at £2,816 million, an increase of 17.5% over the previous year.

Of the new developments of the past year the most significant move was the announcement in January that wa will open a new office in Birmingham later this year. All the Scottish Banks already have substantial businesses in London but this is the first incursion into the heart of industrial England. Our Birmingham Office will concentrate mainly on corporate business and I am confident that this will become

one of our largest Branches before long.
Our Hong Kong Office became a full operational branch of the Bank last summer and the business transacted to date has been encouraging. Our coverage in North America has been further increased by the opening of a Representative Office in Los Angeles close to many of the high technology American corporations who have such a significant identity with the progressive electronic, computer and business machine companies

progressive electronic, computer and business machine companies operating throughout central Scotland.

After a period of careful planning we are now heavily involved in installing Bank of Scotland Autotellers outside many Branches. This will allow holders uf a Keycard to obtain access to cash and other automated services during greatly extended hours.

In June 1979 we also launched our House Purchase Loan Scheme which bas resulted in a significant volume of new loan proposals -particularly through our suburban Branches. The level of home

householders and we are anxious to play a part in enabling tenants in both New Town and Local Authority houses to purchase their own bomes. The combination of North West Securities' creativity and the expertise of

market for 'in-store credit'. The Group is now running schemes for Marks & Spencer and C&A Modes amongst others. Costs

Costs have been rising for some time at a rate rather faster than the real long-term underlying growth of service revenue. Falling ravenues allied to fixed or rising costs can only result in lower profits for the banking industry. These trends are a matter of concern to the Board and to the

the Bank a Computer Division was put to good effect in entering the

Executive. Approximately seventy per cent of all costs relate to staff salaries, pension contributions, employee benefits and training. The Economy
The Chancellor during his Budget speech again demonstrated the
Government's commitment to reducing inflation through a rastrictive monetary policy, consistently applied, rather than by resorting to an

incomes policy. It is inevitable that such measures will hurt—they are currently characterised by high interest rates and lower profits and cash flow—but it would be misleading, if these policies are eventually to result in new investment by an invigorated private sector, to believe that tha benefits will accrue overnight. The next few mont be will be extremely difficult ones with declining liquidity throughout the corporate sector although we can at least be confident of a marked upturn in activity related to North Sea oil exploration and production in 1980 and 1981 – an industry with which

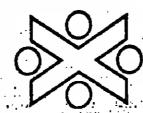
Bank of Scotland is particularly closely identified. The staff at all levels throughout the Bank have continued to work with enthusiasm and there is growing evidence of Managers successfully securing the commitment of the entire Branch staff to the development of Under the terms of the Staff Profit Sharing Schemes approved during tha year the sum of £1,649,000 or 4% of allocable profits will shortly be distributed.

At their meeting on 15th April the Directors unanimously agreed to appoint Mr. D. Bruce Pattullo, Treasurer and General Manager, to the Board. As Chief Executive Mr. Pattullo carries a heavy responsibility in planning for the future and although traditionally the Board and executive functions have usually been separate we believe this is a good recreet to make a change. moment to make a change. I would take this opportunity to thank all my colleagues for their support over the past twalve months.

The Future

We must expect continuing change but I believe that the Bank of Scotland Group, comprising a long established Clearing Bank, a growing Merchant Bank and a successful Finance House, is particularly well balanced.
With our Scottish identity, strong capital base and short lines of
communication, we have both the ability and the opportunity to achieve
substantial enhancement of our business.

Year ended 29th February	1980	1 <b>97</b> 9
•	£000's	£000's
Group operating profit	39,859	32,107
Group pre-tax profit (including share of associated companies' profits)	40,640	34,252
Profit attributable (after tax and extraordinary items)	24,973	22,289
Retained in business	20,136	18,339



BANK OF SCOTLAND

A CONTRACTOR OF THE PROPERTY O

FIRST CHICAGO BANK

# Trouble in the executive suite

THE RESIGNATION of the top gress, his abrisive style com-two men at First Chicago, the bined with some ill-judged ninth largest bank in the U.S., moves on interest rates in the marks the latest unhappy last 12 months left First Chicago episode in the bank's long tale as deeply troubled as ever. of woe. But with any luck, it provded the right men can be found to fill the gap.

officer, and Mr. Harvey Kapnick, the deputy chairman, and handed the reins over temporarily to Mr. Ben Heineman, a board member and president of Northwest Industries, a large local industrial concern.

Although discontent bad evidently been brewing in the bank's executive suite for some time, the announcement still came as something of a surprise, particularly since Mr. Kapnick only joined the bank last

Mr. Abbond was hired in 1975 to cure the bank's halance sheet moment to clean out and loan portfolio problems. Although be made some pro- rid of Mr. Abboud too.

Sperry warns

ther is optimism for fiscal 1981

in view of a strong backlog of \$3.3bn and the product mix.

to March 31 was up from \$224.1m to \$277.1m on sales of

\$4.8bn against \$4.2bn, The final

ouarter brought net earnings of

\$37,5m against \$69.6m on sales

of \$1.4bn compared with \$1.2bn.

cent from farm equipment.

30th April, 1980

Sperry earns 48 per cent of

Total net for the 12 months

on growth

At a time when other banks should basten a happy ending were recording large earnings gains. First Chicago's profits were actually shrinking. Last December, the bank took advan-On Monday, the bank's December, the bank took advandirectors dismissed Mr. Robert tage of Mr. Kapnick's dismissal Abboud, who combined the jobs from the top job at Arthur of chairman and chief executive Andersen, the large Chicago officer, and Mr. Harvey Kapnick, accounting firm, to take him on. apparently as number two. But the problems continued.

In January, the bank announced a 47 per cent plung in fourth quarter earnings, and a few days later Mr. Edwin Yeo, chairman of the asset and liability committee, resigned.

Since then, Messrs Abboud and Kapnick were unable to agree on who does what, and both appealed to the Board, But instead of referring between the two warring executives, the Board decided this was top management altogether and get



Mr. Robert Abboud: an abrasive style

Meanwhile, First Chicago's financial position has been im-proving somewhat in the wake of the recent sharp decline in U.S. interest rates, so much so, in fact that many bank analysts believe it may be past the finan-

The improved economic environment also means that First Chicago finally has a chance to put its bouse in order. Providing the improvement in its financial bealth continues, and suitable new management can be found, it may be on its way to becoming a sounder and happier institution than it has been for years.

It was still not clear yesterday how the succession will shape up. An obvious contender for the top job is Mr. Richard Thomas, the bank's president who was edged backstage during the power struggle. Mr. Thomas was described yesterday by a New York hank analyst as an impressive, statesmanlike per-

However, First Chicago has formed a search committee, which is expected to take at least six weeks, possibly as long as six months, before a sucsor is announced. Until then, Mr. Abboud will remain with the bank. Mr. Kapnick's departure was more prompt. He left on Monday night.

# Goldsmith in U.S. bid moves

BY OUR NEW YORK STAFF

AN INCREASE in earnings for SIR JAMES GOLDSMITH, 1979-80 from \$6.35 a sbare to through the Generale Occiden-tale and Cavenham companies \$7.60 at Sperry Corporation, comfortably meets forecasts, but he beads, appears to be marshalthe Board is concerned that it ling his forces for a takeover may not achieve the same rate of growth in the fiscal year startattempt upon Diamond Inter-national, the New York-based ing this month because of the forest products company. expected downturn. However,

Sir James, through the U.S. arms of the two companies he controls, has made two moves designed to step up the pressure on Diamond International. General Occidentale owns 5.6 per cent of Diamond, according to the last returns filed with the U.S. authorities, but it is thought that since then the company may bave directly or indirectly increased its boldings.

its income from computer systems and peripherals and 27 per Its first move was a letter from Mr. Bowman Gray, vice-

U.S. \$20,000,000

Bearer Depositary Receipts

Floating Rate Deposit finally due 1986

C. A. Cavendes

Sociedad Financiera

evidenced by consecutive three month Certificates of Deposit

Notice is hereby given pursuant to the Terms and Conditions of the Bearer Depositary Receipts

(the "8DRs") that for the three months from

1st May, 1980 to 1st August, 1980

the 8DRs will carry an interest rate of 15%% per annum. On 1st August, 1980 Interest of U.S.S39.77 will be

due per U.S.\$1,000 BDR and U.S.\$397.71 due

per U.S.\$10,000 BDR for Coupan Na.4.

European Banking Company Limited

(Agent Bank)

William J. Koslo, chairman of

New A and P chief MR. JAMES WOOD, formerly a managing director of British-based food group Cavenham, has been appointed chairman and chief executive officer of New Jersey food group The Great Atlantic and Pacific Tea Company (A and P), our Financial Staff writes. Mr. Wood ran retail operations at Cavenham, which is a subsidiary of Sir James Goldsmith's French-based Generale Occidentale. He replaces Mr. Jonathan Scott who is moving to a private investment

president of Cavenham, to Mr. Diamond, stating that the French company may purchase
"a substantial portion" of the
U.S. company's stock "at a
significant premium" over the current market value.

> The second move has been to start litigation in a Delaware Court to block a proposed merger between Diamond and Brooks Scanlon, another forest products company.

Sir James's company has interests in food, banking, publishing and insurance. Diamond International, which had sales last year of \$1.2bn and net income of \$61.7m, bas extensive timberland assets which analysts believe are greatly undervalued in the com-

US DOLLARS 35,000,000.00 BEOGRADSKA BANKA

FLOATING RATE NOTES DUE 1983

In accordance with condition 11 of the notes, notice is bereby

given that for the six month period April 29, 1980, to October 29, 1980, the notes will carry an interest rate of 1648%.

Notes of US\$1,000 - 86.10 per Coupon .

THE FIRST NATIONAL BANK OF CHICAGO

BANKERS TRUST COMPANY, Fiscal Agent

Notes of US\$10,000 - 860.99 per Coupon

AMENDED NOTICE

Ente Nazionale per l'Energia Elettrica (ENEL)

Gnaranteed Floating Rate Loan Notes 1980

In accordance with the provisions of the above Notes, Bankers Trust Company, as Fiscal Agent therefor, has

established the Rate of Interest on such Notes for the

semiannual period ending May 30, 1980 as fourteen and three-eighths percent (14%%) per annum. Interest due on such date will be payable upon surrender of Coupon No. 20.

Relevant interest payments will be as follows:-

### Shipyards ease fall at **Bethlehem** Steel

By Ian Hargreaves in New York

BETHLEHEM STEEL, the second largest U.S. steell maker, saw a slight fall in profits in the first quarter, but sharply declining demand from the motor industry was somewhat offset by a better performance at the company's shipyards.

First quarter net income of \$54.4m fell from \$59.2m compared with last year but sales. rose from \$1.75bn to \$1.95hn.

Bethlehem, which has had several raw years in its ship-yard operations, is confidently forecasting a profit-able year in this area. The decline in sales of flat rolled steel products to the motor industry had been partly offset by higher sales to the construction and machinery markets.

There had, however, been a general downturn in orders since March, with no signs of improvement since then. Last week the company announced layoffs at its Sparrows Point, Marvland. steelworks. The outlook for the rest of the year was difficult to predict because of political home and abread.

Bethlehem has a 25 cent stake in an iron ore venture in Liberia, where the government was overthrown. The government said its Liberian operations have continued. somewhat reduced levels because of curfew restric-

In spite of its order book tailing off. it is sticking to its forecast of industry shipments ef 90m to 93m tons this year, down from 100m tons last year.

### U.S. QUARTERLIES

AMEREDA HESS 3.13 AMERICAN STANDARO 690.7m 582.1m First quarter Net per share ..... First quarter \$ 145.6m 6.3m 0.55 IU INTERNATIONAL 1979 s n'682,6m Revenue .... Net prefits .. Net per shere KANEB SERVICES 96.7m 27.4m 1.22 85.3m 9.6m 0.43 KENNECOTT COPPER First quarter NORTHWEST AIRLINES †10.9m †0.50 PENNZOIL \$ 912.9m 83.64m 1.81 First quarter 46.17m 0.91 PEPSIÇO 1.18bn 47.6m 0.52 Net profits ... Net per share 45.2m 0.48 PHILADELPHIA ELECTRIC PHILLIPS PETROLEUM Revenue ..... Net profits .. Net per share REVERE COPPER SAFECO 316.7m 29.9m 1,54 27,8m 27,8m 1.41 TRANSCO

1.77bn 61.6m 3.54

2.38tm 152.9m 1,76

1990 \$ 580.2m †12.1m †0.45

1979 \$ 712m 6m 0.23

UNION OIL OF CALIFORNIA

UNIROYAL

First gaarts

INTERNATIONAL BONDS

# Demand for dollar issues as interest rates decline

fall in U.S. and Eurodollar Easter now stands at \$1.70n. interest rates rather than on the deepening crisis between Iran and the U.S. The threemonth rate dropped 1 per cent yesterday to 145—on Monday it had already fallen 1 per cent Straight dollar bond prices moved up by around one point with some large bond houses saying that the volume of business was very good. One new issue was announced, a \$75m five-year bullet bond for Federal Business Development Corporation, of Canada, through Wood Gundy, Deutsche Bank and CSFB. This issue includes a

indicated price of par.

conpon of 12} per cent and an

preference for very high quality arranged for Kubota Liti-paper as witnessed by the dis SwFr 60m five year trans count at which the recent issues for McGraw Edison, Portland plagued by the fact that the borrower is on the Arab blacklist. ing, a FI 60m private placement

This resulted in about half a dozen underwriters from the Gulf who bad taken less than 2 per cent of this issue handing Kuwaii Foreign Trading Comback their adotments to the lead manager, Orion. Last night the bonds closed at 951-981, up marks a turnsround in market slightly on the previous day.

The last two tranches of the The bard currency sectors an issue for the Nederlands \$500m tap issue launched for have been rather quiet. In Credictions only attracted Sweden hefore Easter have now Germany, the market reacted FI 25m out of a proposed been completed, \$50m on Mon well to the calendar of new amount of FI 60m.

THE EURODOLLAP bond mar-day and \$50m yesterday. This desites for the next few w ket concentrated its attention means that the volume of new which has been set at between yesterday on the continuing fast dollar paper arranged since DM 750-800m. In Switzerland The market continues to show vate placement has been

SwFr 60m five-year tranch carries a compon of 7 per cent while the second six year General Electric and Northwest trauche carries a compon of Industries are still standing 71 per cent. The lead manager This letter issue was also is Swiss Bank Corporation.

> for Amro NV met with consider able success yesterday on its first day of subscription. The lead manager AmRo and the pany, closed the books with the full amount subscribed. This sentiment since last month when

# Hungary sees lower borrowing

BY PETER MONTAGNON

to total only \$500m to \$600m last year. this year, down from just over \$1bn in 1979, Mr. Janos Fekete. Hungarian National Bank said

Before the signing of the bank's \$250m credit led by Manufacturers Hanover, Mr. Fekete said that Hungary will be raising only one more

yesterday in London.

Eurocredit this year. The current account deficit already declined last year to 555m from \$1.2bn in 1978, but Mr. Fekete said the improve-ment has continued into 1980. In the first quarter, Hungary bed a surplus of \$30m in that portion of its trade financed in

HUNGARY EXPECTS its This compares with a deficit of earlier. The gold content was external borrowing requirement \$200m in the same quarter of not detailed though holdings to total only \$500m to \$600m last year. were valued at \$226 per onne

The information memorandum, in the second half of last year. prepared in connection with its. The seven year credit carries current credit meanwhile reveals alternative conditions of a 1 that Hungary's gold and foreign per cent margin over Libor exchange reserves at the end throughout or a 1 per cent of last year stood at \$2.1bn spread over prime for the five compared with \$1.96bn a year years rising to 1 per cent

### French utility issues bond

A FFr 2.5bn domestic bond with 14.26 per cent at issue and h a 145 per cent coupon is lead managed by Societe planned next week by Electricite de France. Market sources suggest that the issue will have a life of 12 years. Reuter reports from Paris.

Slightly easier market conditions have meant a cost for the for French national railways The bond would yield a gross and the Post Office (PTT):

### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 29

	on the second Mond					ропс	, 25,
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Brazil 8 87	150				-13		
CECA 7 91	150					8.57	
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\*No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the original price; the amount issued is in millions of currency units except for Yen bonds, where it is to billions.

Change on week Change over price a week seriles.

Change on weak — Change over price a week eminerating Rate Notes: Denominated in dollars unless: wise indicated. Coupon shows is minimum. C. 2016—nest coupon becomes effective. Spread—Margin; eix-month offered rate (f. three-month; § shows rate) for U.S. dollars. C.cpn—The Current on C. vid—The current yield.

Convertible Bonds: Denominated in dellars waites.



\$30,000,000

### Nchanga Consolidated **Copper Mines Limited** Republic of Zambia

DATED: April 30, 1980

Eurodollar Revolving Credit and Term Loan Working Capital Facility for Mining Operations

This Financing was Arranged by

**Irving Trust Company** 

Guaranteed by

**Overseas Private Investment Corporation** 

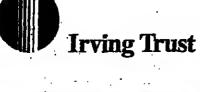
Funds Provided by Irving Trust Company (As Agent) Bank of Virginia

Allied Bank International

Irving Trust Company One Wall Street New York, N.Y. 10015

April 1980

Minerals Department



WEST GERMAN MOTOR INDUSTRY

# Volkswagen earnings at record level

BY KEVIN DONE IN FRANKFURT

VOLKSWAGEN, West Germany's world car markets. Spending last emphasis falling on Western to total about DM 10bn in the largest ear manufacturer, year jumped 56 per cent to Europe and North and South three years to the end of 1982 with group after-tax profits rising 16.2 per cent to DM 667m (\$370m). Sar sales rose to a record 2.51m vehicles, increase of 7.1 per cent an

Despite weakening demand in several of the world's major car markets, Volkswagen has mainhined the momentum in the first firee months of 1980 with world. wide sales rising to 656,000 vehicles, up 3.4 per cent from year earlier.

, Net earnings of the parent company in the first quarter ment, bowever, slipping back by of DM 7bn. Finance director Herr Friedrich Thomee told Reuter be expected group profits for 1980 as a whole to "show

Yolkswagen is in the midst of massive investment programme aimed at increasing its share of industry, wer borrow

DM 3.1bn. Herr Toni Schmuckar, Volkswagen'a chief executive. said the total would rise again this year by about DM 600m to

DM 3.7bn. Included in last year's expenditure are sums for VW's takeovers of the Triumph Adler group and Chrysler do Brazi. VW said the acquisition of its 72.9 per cent share in the Triumph Ader office equipment group had cost a total of DM 480m.

Herr Schmucker said that be spected salese of the Triumph Adler subsidiary to double in the next three years from the 1979 turnover of DM 1.5bn. But with this first major move into a new industry accomplished, it appears that VW's appetite for further diversification has been

He emphasised that the group would bave to devote all its resources to consolidating its presence in the world motor with the main

America.

The potential of the European market was far from exhausted, said Herr Schmucker, and VW was looking to increase its present 13 per cent market abare to about 15 per cent in the next two to three years. In the major volume markets outside West Germany, namely the UK, France and Italy, VW is seeking to enlarge its market share to about 7 per cent compared to the present level of less than 5 per

In West Germany VW took 31.7 per cent of the car market In the first quarter of this year compared with 30.4 per cent last year. At a time when the general market fell g per cent, it managed to bold aales at almost the same level as last

The big push in Western Europe is being supported by an investment programme expected

in West Germany alone. The group has been operating close to the limits of its capacity during periods of peak demand. As a result it is opening up a new assembly plant at Salzgitter
—for the production of its Golf
and Jetta models — with a capacity of 600 cars a day.

Despite its very heavy spendng programme. Volkswagen has been able to finance most of its expenditure from cashflow. Its financial strength makes its balance sheet look like that of a bank and an important part of its profits last year came from interest earnings.

VW's sales in the U.S.-a second assembly plant is to be built there during the next two years-rose 19.5 per cent last year to 334,000 vehicles. But strike at one of its plants earlier this year and limited production capacity meant that .S. salea fell in the firat quarter by 10 per cent to \$7,000.

Olivetti in link

the capital of the U.S. medium-

sized computers manufacturing

Olivetti also said it has taken an option to buy additional IPL

sbares to increase its stake up

to 40 per cent in the Boston-

based company. The Italian group has further agreed to

advance IPL a loan of U.S.\$2m.

This latest deal, coming only

a week after a major financial and industrial agreement between Olivetti and Saint-

France, reflects the Italian

company's strategy of streng-thening its presence on the international and communica-

Saint-Gobain has agreed to

purchase a 10 per cent share-

Gohain - Pont - a - Mousson

tions market.

group IPL System.

# German builder expects flat year

BY ROGER BOYES IN BONN

BILFINGER UND BERGER one of West Germany's leading sales and earnings this year to match the high levela of 1979 helped largely by a steady flow of foreign orders.

The company's interim report shows that the volume of con-struction work was up 13 per tent in the first quarter of 1980 from a year earlier to total DM498m (\$277m) of which DM229m was domestic and DM269m foreign work.

New domestic orders look healthy for the first quarter reaching DM331m compared to DM235m a year earlier. Foreign orders have slackened to DM334m from DM519m in the first quarter of 1979. Among overseas orders are road construction projects in Libya and Indonesia and work related to a steelworks in Nigeria.

Significantly all three of these clients are oil-producers, sug-

BY DAVID WHITE IN PARIS

one to FFr 89.5m (\$21.3m) from FFr.74.3m the previous

year. The company is proposing

final net dividend of FFr 13.50

WFr 26 for the year, up from

Group sales rose to FFr 3.83bn

from FFr 2.88bn. The results ficluded for the first time a finned food subsidiary, William

Saurin (which Lesieur took

wer a year ago in its first hajor diversification out of Rible oils) and a 50 per cent take in a Spanish edible oil

Tompany, Salgado y Cia.

\*Irish building

group in U.S.

CEMENT ROADSTONE, which

th pre tax profits of Irisb

ployees is one of the largest

public companies in Ireland, las made two acquisitions in the

For \$11.3m it has acquired

Carder Concrete Products and If Paso Pre Cast Inc. The acquisitions were made through

CRH'a U.S. subsidiary, Old-

"In 1979 combined sales and gre-tax profita of Carder and El

Paso were respectively \$11.3m and \$1.9m while tangible net

assets were \$10.3m. Carder manufactures concrete pipes and pre-cast box culverts in

Colorado and Wyoming, while

El Paso manufactures concrete

The company says that the

acquisitions will complement

its Amcor business as they oper-

ate in related product lines in

the sama general area. With these new purchases CRH.

which exports very little from

Ireland, will have reached a

stage in the U.S. where growth

manholes in Colorado.

can be self-generating.

(\$9m) and 6,000 em-

acquisitions

sbare, making a total of

wis group, fulfilled its promise a major reorganisation in its ownersblp structure two years ago, bas said it will seek further opportunities for widening its range of activity. It invested to the control of activity. It invested to the control of activity.

tries are willing to spend some of their money on major infraatructional projecta to the benefit of western companies. Berger's good results over the past two years and satisfactory prospects for 1980, it will soon face the dilemma common to all German construction com

Having spread its wings abroad during the mid-1980s domestic recession, it anticipates stronger competition in securing overseas business, given the strength of .. the Deutsche-Mark against some other currencies, notably the Yen. But at the same time, the domestic construction boomwhich has helped to keep order books full for the past btree years-seems about to cool off.

Thus the interim report to shareholders warns of the possible repercussions of higher clients are oil-producers, sug- mortgage rates and the increas- built up and an appropriate gesting that oil-exporting coun- ing claims made on government dividend will be paid, it added.

The main sbarebolders in the

Lesienr holding company are Banexi, a subsidiary of the state-owned Banque Nationale de Paris, with 30 per cent and

the Lesieur family with 20 per

cent. Barclays Bank bolds an

THE BITTER two-month-long

strike which bit Alsthom-

Atlantique, the French engineering and shipbuilding group,

last year, was one of the main

factors bebind the company's

BY RUPERT CORNWELL IN ROME

privately owned steel company.

yesterday reported a rise in net

profits but bas been unable to

stop a deterioration in its over-

to L3.9bn (\$4.6m) from L2.4bn

in the previous year, on sales of L445bn (\$524m) against L374bn. However the improve-

ment in sales entirely reflected increases in prices during the yar, while the improved profit was achieved through a revalua-

tion of portfolio assets by a total

This manouevre has per-

mitted the group to increase its dividend to L160 from the 197g

level of L100. However, during

the year the overall indebted-

ness of Falck - whose profit-

ability has been in marked

contrast to the state steel sector

in Italy — rose by L40bn to L107bn, while debt servicing

costs of over L19bn were more

The payment of a dividend is

mainly aimed at smoothing the

Net earninga in 1979 climbed

all financial position.

of L7.2bn.

slide into losses of FFr 8m previous year.

Italian steelmaker pays

more and plans funding

way for a capital increase, the state conglomerate that is the

exact dimension and timing of parent of Finsider.

ITALY'S largest which is not clear. Fack'a

be a rights issue.

indirect interest.

private housing and flat construction has fluctuated, partly in response to interest rate movements, public projects such as road building have provided a sustaining staple. But even these projects are under pressure because of government commitments to, for example, bigher defence spend-ing in the wake of the Soviet invasion of Afghanistan. At the same time rising costs are eating into margins.

from overseas business.

Largely because of foreign business, profits last year were "on the whole, satisfactory." the company said. Reserves will be

with U.S. computer maker spending. While demand for By Paul Betts in Rome OLIVETTI, the leading Italian electronics and office equipment group, said yesterday it bad bought for \$4m a third of

Order books are fat enough to keep this year's result at the 1979 level. Last year's construction sales reached DM 2.3bn against DM 2.2bn in 1978 and orders in hand reached DM 2.7bn, some two-thirds of it

The effects of the stoppage on deliveries is indicated in

a profit of FFr 75.4m in 1978.

big French electrical group, has

a 31 per cent stake, is one of the country's leading ship-builders following the merger of Alsthom, CGE's beavy elec-

trical subsidiary, with Chantiers

de l'Atlantique, the shipbuild-

ing group.

The company is proposing a dividend for 1979 of FFr 2.5 a

share against FFr 6 in the

capital currently stands at

Doubts, however, has been expressed in Bourse circles over

the willingness of certain major

sbarebolders, most notably the Italmobilaire/Italcementi group of Sig. Carlo Pesenti. which

holds a 25 per cant stake in

Falck, to participate fully in a new fund raising operation.

The immediate prospects for the group have brightened

recently with the sustained demand for steel. Sales in the

first quarter rose 35 per cent to

Meanwhile the plight of the

publicly owned steel industry in

Italy has been underlined by the

approval of the massive capital

raising operation by Finsider.

which after reducing its capital

by almost half to L60gbn, to

cover previous losses, has

increased it by over L1.400bn to

totally underwritten by IRI, the

This operation has been

A new issue would

Alsthom, in which CGE, the

accounted

The company had

Lesieur, which went through (\$61.9m), writes Terry Dods-

worth in Paris.

provisions

FFr 85.7m.

holding in Olivetti for L67.28bn (\$79m). The French group eventually plans to raise its Lesieur profits a fifth higher shareholding to 20 per cent.

The agreement with IPL, which will also see Olivetti join the U.S. company's board. follows a distribution deal between the two signed earlier this year whereby the Italian company will sell medium-sized data processing systems produced by IPL through a special subsidiary called Olivetti

# ger cent, partly as a result of opportunities for widening its the group's consolidated sales range of activity. It invested for the year, which rose only about FFr 200m in 1979, marginally from FFr 9.6hn in the chuding portfolio operations, including FFr 140 in financial 1978 to FFr 9.7bn. Depreciation participations. Credit Suisse News

The April Issue of the Credit Suisse quarterly "Bulletin" contains reports on

The Swiss Franc:

**€** Eurocurrency Lending:

The Long Range Outlook

Investment Policy in the Eighties

Money Costs on the Rise? and is available at: 24 Bishopsgate,

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KOMMUNALE LANDESBANK GROZENTRALE a-Anlage 33 - 0-6800 Ma

# Nestle in Spanish meat deal

than L6bn up on 1978.

BY-ROBERT GRAHAM IN MADRID

stuffs group, has taken a 32 per be about \$43m. cent sharebolding in one of Spain's biggest meat concerns, Felix Postigo Herranz. The deal marks a new departure in Spain for Nestle where it aiready has important foodstuffs operations.

Felix Postigo Herranz is a family-run company based in Segovia with a capital of Pta 116m (\$1.6m). The company said the shares were bought by Nestle for cash. It declined to give details of the price but said that last year'a andit showed assets of Pta 950m.

NESTLE, the Swiss-based food- Current turnover is reported to

The sale has ben prompted by the Postigo family's desire to ensure continued expansion of the company, with a view to Spain's entry into the Common Market. It is another case of a Spanish family-run concern needing the presence of an amounted to a further Pta 1.3bn international partner to guaran-

tee its future. Felix Postigo Herranz bas 15 offices in Spain, employing 750 people, and sells both fresh and frozen meat products. It also has an export operation, mainly water company. Manantiales de directed towards France. Cardo.

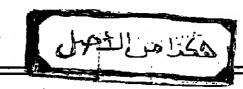
The deal further consolidates Nestle's presence in Spain where it is largely represented by minority interests in Spanisbbased companies. Nestle's total sales in Spain were Pta 38bn 1978 and exports from Spanish - based interests

The stake in Felix Postigo Herranz represents one of two diversifications made in the past year by Nestle. The other was a 49 per cent purchase of equity in a Tarragona-based mineral

IHF-FLAT FINANCE CORPORATION B.V. U.S.\$100,000,000 **GUARANTEED FLOATING** RATE NOTES 1991 For the six months 30.4.80 to 31.10.80 the. Notes will carry

annum. Coupon Value \$78.26. Listed on The Stock Exchange,

interest rate of 15% per



### Annual report of Société Générale de Banque Generale Bankmaatschappij



Some highlights of the 1979 financial year.

In Belgium

☐ Surengthening of permanent funds through conversion of 80% of the convertible loan floated in 1969 and increase of these funds through issue of a new BF 2,5 billion convertible loan.

☐ Substantial rise in credit facilities to the private sector (+ 16.2%), particularly in special loans for young people, personal loana and mortgage loana, as well as investment credits to small and medium-sized enterprises.

☐ Extension of electronic payment facilities - 130 "Mr Cash" automats in operation at the end of 1979 and expansion of the services

provided.

Private placements of loans amounting to BF 8.5 billion, on behalf of the energy sector alone. ☐ Underwriting of public authority bond issues totalling BF 69 billion and leading role in the granting of foreign currency credits to these authorities.

☐ Processing of nearly 208 million book entries. (+ 6.8%).

International activities Operating funds of subsidiaries

and affiliates increased by BF 1.2

☐ Assistance to foreign trade:

as at 31.12.79 748,088,083,773 856,501,589,992 + 14.5 Balance sheet total Deposits and cash 477,166,741,920 + 10.1 433,408,487,195 certificates 299,866,158,939 249,032,446,734 +20.4Due to banks Loans to the private 428,859,917,113 498,242,993,411 + 16.2 SECTOR Bills and securities -203,397,272,694 220,475,266,979 + g.4 public sector General expenses exclu-20,05g,845,971 21,847,672,387 + 8.9 ding corporation tax 1,791,922,855 1,990,166,309 + 11.1 Net profit

The gross cash flow for the 1979 financial year amounts to BF 5,477 million, as against BF 5,301 million in 1978 (+ 3.32%). After allowing for detreciation, decreases in value and corporation tax, the profit for the year totals BF 1.990 million (+ 11.1%).

The Annual General Meeting held on 22 April 1980 decided to pay a dividend of BF 225, net of withholding tax, on the 5,559, 142 existing shares, as against BF 220 on 5,004,312 shares for the previous year.

financing of supplies of Belgian industrial equipment and engineering services totalling BF 17 billion - special lines of credit amounting to BF 11 billion.

Management of Eurocredits: 28th on the international list of banks.

☐ International bond issues: 15th on the international list of banks. ☐ Inauguration of the Tokyo Branch - Opening of new representative offices in Italy (Milan), Spain (Madrid) and New York -Setting up of Belgian American Securities Inc. in New York -Opening of an investment bank. Belgian Finance Company Limited, in Hong Kong.

☐ Success of the "payment guarantee without recourse" scheme for small and medium-sized exporting companies.

Organization of trade missions to Singapore, Wales, Norway and

several other countries and participation in the ASEAN-EEC Conference on Industrial Cooperation in Jakarta.

☐ First-class rating for the issue of commercial paper in the U.S.A.

**Employment** 

Recruitment of 536 new employees, 441 of whom are aged under 25 - Total staff: 15,840.

Consolidated balance sheet total as at 31.12.1979: BF 1,014 billion (+ 16.13%).

The full Report may be obtained from Société Générale de Banque -Generale Bankmaatschappij, Public Relations - Montagne du Parc, 3 - B. 1000 Brussels.

Our affiliate in Great Britain

Banque Belge Ltd - 4 Bishopsgate - LONDON EC 2N 4AD. W. ARMSTRONG - P. MUULS, Managing Directors.



CONSOLIDATED AND CONDENSED COMPARATIVE STATEMENT OF CONDITION IN MILLIONS OF U.S. DOLLARS

Assets	31.12.75	31.12.76	31.12.77	31.12.78	31.12.79
Cash and due from banks	1,1420	1.344-7	1,098.1	2,767.7	1,667.0
Loans	26, 166.8	31,932.4	39,023.9	42,499.8	42,837.4
Securities	429.7	506.9	729.8	1,010.0	664.4
Bank premises and equipment	373.4	- 370.3 -	900.7	815.0	694.2
Other assets	1,094.4	4,772.4	4,983.9	1,965.3	3,383.0
TOTAL ASSETS	29,206.3	38,926.7	46,736.4	49,057.8	49,246.0
Liabilities					
Capital and reserves	2,457.5	2,688.6	3,547.5	4,057.5	3,269.6
Deposits	17,537.7	23,226.3	26,565.1	22,729.2	16,074.9
Demand	9,129.6	9,839.7	11,019.8	8,059.9	6,772.7
Time	8,408.1	13,386.6	15,545.3	14,669.3	9,302.2
Funds borrowed	1,367.4	1,504.0	1,760.7	8,654.2	15,644.3
Funds for refinancing	5,882.5	8.014.0	11,341.5	11,804.3	- 10,979.9
Other liabilities	1,961.2	3,493.8	3,521.6	1,812.6	3,277.3
TOTAL LIABILITIES	29,206.3	38,926.7	46,736.4	49,057.8	49,246.0

The ligures shown above are the conversion of Cruzeiros into U.S. dollars at the rate prevailing on the respective balance sheet date

FOREIGN NETWORK

Abidjan, Amsterdam, Antofagasta, Asunción, Atlanta, Bogotá, Brussels, Buenos Aires, Caracas, Chicago, Ciudad Vieja; Cochabamba, Colon, Concepción, Dallas, Frankfurt, Geneva, Grand Cayman, Hamburg, Houston, Lagos, La Paz, Lima, Lisbon, London, Los Angeles, Madrid, Manama-Bahrain, Mexico City, Miami, Milan, Montevideo, New York, Oporto, Panama City, Paris, Paris-Opera, Paysandu, Puerto Presidente Stroessner, Quito, Rivera, Rome, Rotterdam, San Francisco, Santa Cruz de la Sierra, Santiago de Chile, Singapore, Stockholm, Sydney, Tehran, Tokyo, Toronto, Valparaiso, Vienna, Washington and Zurich.

New branches and representative offices to be opened shortly in other countries.

Banking correspondents throughout the world, and over 1,300 full branches in Brazil:

LONDON BRANCH 15/17 King Street, EC2P 2NA. Telephone: 01-606 7101. Telex: 8812381 Companies

in HK

Wharf

reshuffled

reached agreement for

ng 30 per cent in the Hongkong

Godown Company from com-

panies owned and controlled by

family, at a cost of HK\$1.57bn (around U.S.\$320m).

The 28.5m shares apart.

World International will pur-chase 650,000 Wharf warrants at

At the same time. World International will purchase from the Pao family compaoses six Liberiao shipping com-

panies, each owning one ship,

for HK\$320m-a price reached after valuation of the ships at

about HK\$650m. and allowing

for bank loans and other liabilities of around HK\$330m.

The shares acquisition is to

take place in two parts, the first

involving 21.9m shares, costing

HK\$1.20bn. equivalent to 20 per

ceot of Wharf's fully diluted share capital. To finance this

purchase, World International

proposes a one-for-one rights issue to raise around HK\$225m.

It also proposes to issue 215m

deferred shares at HK\$3.30 each

and 100m ordinary abares a

The second stage is to be financed with the issue of

further deferred shares at

HK\$3.30, ranking pari passu

Sir Yue-Kong Pao and his

family do oot intend to take up

their entitlement under the rights issue, since this would

mean less than 25 per cent of

the enlarged share capital being

It is proposed that a sub-sidiary of Cheung Kong (Hold-

ings) will acquire about 200 per

ceot of the rights issue shares.

nil paid, from Sir Yue-Kong Pao

and family and take up such shares for HK\$50m. The balance of the rights issue will be under-

Estimated consolidated net

profit of World International for

the year to March 31 is put at

not less than \$HK73.5m for the

year ended March 31, up 16 per ceot. The dividend for the year to March, 1981, is expected

to be not less than 10 cents.

with the first.

held by the public.

written by Wardley.

HKS210 each.

By Our Financial Staff

# ENTE NAZIONALE IDROCARBURI

(National Hydrocarbons Authority) 61/2% Sinking Fund Debentures due June 1, 1987

NOTICE IS HEREBY CIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on June 1, 1980 at the principal amount thereof \$321,000 principal

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

Also Debentures of Prefix "M" Bearing the Following Serial Numbers:

On Iune 1, 1930, there will become and be due and payable upon each Debenute the principal mount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (h) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca nerciale Italiana io Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemene Bank Nederland N.V. in

Amsterdam or the main office of Kredietbank S.A. Luxembourgeoise in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coopons doe June L 1980, should be detached and collected in the usual manner. From and after June 1, 1980, interest shall cease to accrue on the Debentures herein designated

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY

April 24, 1980

This announcement appears as a matter of record only.

### THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED

U.S. \$10,000,000

Negotiable Hoating Rate Certificates of Deposit

Maturity Date 22nd March, 1983

Managed by

LTCB International Limited

March, 1980

Report

Dividend

Announcement

for the six months ended 31st March 1980

Nedbank

Group

Limited

and

The accelerated pace of the economy and the competitive climate have had a stimulating effect on The Nedbank Group.

The unaudited oet operating income after tax and after transfers to internal Reserves attributable to shareholders of the Nedbank Group Limited for the six mooths ended 31st March 1980 amounted to R27 350m which represents an increase of 34,6% on the same period last year. Earnings per share for the period under review increased from 23,4 cents to 31,0 cents.

The six mooths to the end of March 1980 saw a sharp upsurge in the pace of the South African economy - a welcome development after twenty one mooths of uncertain recovery. The acceleration followed an increase in real personal disposable income which, in turn, led to a higher level of real consumer spending (particularly on durable and semi-durable goods). Despite the bigger spending, personal savings rose substantially as did the savings of the government and corporate sectors. With the balance of payments in substantial surplus (mainly as a result of an increase in export earnings, with gold in particular) the liquidity of the banking system grew rapidly. Domestic interest rates dropped to even live 1980 will account but concernative Product of March 1980 will account that the second will be seen as the second will be see

The stimulatory but conservative Budget of March 1980 will easure that the economy will stay on the new and higher growth trend it achieved during the first half of the company's financial year.

The accelerated pace of the economy and the competitive climate have had a stimulating effect on the group and despite increased operating costs, profits have increased by 35% (22%) in comparison to the corresponding

The prevailing husiness confidence in South Africa and the improved economy should make for a sustained growth in the group, for which the group is geared.

For and on behalf of the board

Dr. F. J. C. Cronjé, Chairman Mr. G. S. Muller, Chief Executive and Senior Deputy Chairman

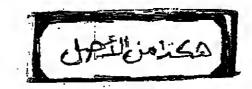
R47 393 R20 310 R36 709

ents amounted to R5 250 000 at 31st March, 1980 (R4 000 000).

An interim dividend in respect of the year ending 30th September, 1980 of 11.0 cents (8.5 cents) per share has been declared payable to shareholders registered in the books of the company at the close of business on 9th May, 1980. The transfer books and register of members will be closed oo 10th May, 1980 and re-opeo on 19th May, 1980. Dividend cheques will be posted oo or about 2nd June, 1980. Non-resident shareholder's tax will be deducted where

D. A. Peterson, Secretary

CONTAINS THE PARTY OF THE PARTY				
	6 months to 31,3.80 000's	6 mooths to 31,3.79 000's	12 months 10 30.9.79 000's	12 months to 30.9.78 000's
Issued and fully paid shares of R1 each	88 154	86 899	87 540	86,168
Group shareholders' funds	R243 218	R212 696	R224 312	R197 874
Taxed income available to Nedbank Group shareholders	R27 350	R20 310	R47 393	R36 709
Earnings per share	31,0c	23,4c	54,2c	42,6c
Dividend per share	. 11,0c	8,5c	27.0c	21,0c
Total assets	R4 172 302	R3 465 444	R3 718 712	R3 286 694
Credit facilities to the public	R1 381 271	R1 325 187	RI 366 143	R1-319 503
Deposits of poblic and other accounts	R2 755 574	R2 424 324	R2 591 550	R2 328 261
Ratio of deposits etc. to total shareholders' funds	10,9:1	10,9:1	11,1:1	11,3:1



# Pao interest Bankorp to lead record diesel plant leasing deal

group, led by Trust Bank deal in competition with both lease at the time of commis-heing chosen to finance a major Barclays Bank, in association sioning of the plant. INTERNATIONAL (Holdings), one of the listed part of the R300m (\$374m) with Nedbank, and the Stancompanies in the Sir Yue-Kong Atlantis Diesel Engine plant dard Bank Group. Pao shipping empire, has being built in the Western. Cape. acquisition of a stake approach-

The leasing package, details said the consortium, which of which have yet to be includes the Central Merchant Kowloon Wharf and finalised, will cover some Bank and Santamhank from Sir Yue-Kong Pao and his factory, which is intended to for further negotiation." make South Africa selfsufficient in vehicle diesel engines, with licencing agreements with Perkins and

Daimler-Benz.

A statement issued by

RISOm (\$199m) of the cost of the Bankorp group, as well as capital and equipment at the Trust Bank, had been "selected The company listed several

factors influencing its choice, including a favourable fixed leasing rate resulting in the lowest lease payments over 10

THE LARGEST South African Bankorp, the smallest of years, and flexibility over com-leasing operation yet has been South Africa's five major bank-arranged—with the Bankorp ing groups, wen the leasing and the structuring of the

Banking sources estimate that some R36m of the R160m will be spent on imported Atlantis Diesel Engine (ADE) items, and the agreement with Perkins and Daimler-Benz will result in substantial further imports of spare parts in the first five years of operation.

ADE, which is wholly owned by the quasi-government Industrial Development Corporation, is expected to start production next year, building up to full production capacity of 45,000

# Old Mutual restructures portfolio

BY JIM JONES IN JOHANNESBURG

SOUTH AFRICA'S largest insurance company, the Old Mutual, plans to rationalise and restructure its holding in the feed and related sectors. Full details are expected to be released within two weeks but according to Mr Frans Davin, Old Mutual's managing director, the moves are prompted, in part, hy a wish to pre-empt possible predatory moves against Tiger Oats, the diver-aified food group in which Old Mutual holds a strategic 21.3 per ceot (and the largest) in-terest worth R35.9m (\$44.7m)

based on Tiger's markflet price change price of 455 cents of RI5. At the same time, the question arises of the control of food processor and distributor Imperial Cold Storage. Old Mutual has a 20 per cent

stake in that company worth R147m at current market prices, while a further 16 per cent worth R11.8m is held by Tiger, and 17 per ceot worth R12.5m by the investment company, Common Fund. Old Mutual holds 27.4 per cent of Common Fund worth R9.1m based on that company's current Johannesburg stock ex-

In general, Old Mutual's policy is that its investment interests are not used to exercise management control. But when it comes to strategic holdings such as that in Tiger, active portfolio management is needed: if the risk of control passing by defaut to competing life assurers is to be avoided.

The shares of Tiger, Common Fund, and Imperial Cold Stor-age have been suspended from trading on the Johannesburg Stock Exchange until negotiations on rationalisation plans

nowind. The Bond group is

involved in a major reshuffling

of its assets to simplify the group structure, which is expected to lead to further

changes to its Cooper Basin and

Commonwealth bond issues now on tap

GIB to

expand

capital

by 150%

THE BAHRAIN BASED

International Bank (GIB)

which held its general assembly

in Doha last week has announced a 150 per cent

increase in capital, to support the growth of its operations. The authorised capital, sub-

scribed by the Governments of

the seven shareholding states. Bahrain, Saudi Araba, Kuwait

Qafar, UAE, Iraq, and Oman); is being raised for the first

time since GIB's establishment

in 1975. From BD40m (\$106m) to BD100m (\$265m). The increase will be called up from

Total assets at the end of

1979 were \$1.5hn, but have risen to \$2bn to the first

quarter of this year, due to increases in inter-bank business and growth of the loan port-felio. Profits for 1979 were

next January.

CANBERRA—The Australian Government's new tap stock system for the continuous issue of Commonwealth bonds will start on April 30, Mr. Eric Rebinson, the Finance Minister.

The tap will replace the pre-vious periodic issues, and the yields on bonds issued through it will have a direct effect on local authority loans. The Government in December replaced the continuous Treasury note issue system with issues by periodic tender.

The first honds issued through the tap will be some A\$500m of 11.5 per cent April 1982 stock, and about A\$250m of 11.7 per cent April 1985. Renter

# **Bond sells Santos stake to ATI**

BY JAMES FORTH IN SYDNEY

ANSETT TRANSPORT Industries has bought a 7per cent interest in Santoa, the major partner in the Cooper Basin natural gas and liquids fields in South Australia, from interests associated with Mr Alan Bood, the Western Australian businessman. Ansett. which is controlled by News Corporation, headed by Mr Rupert Murdoch, and Thomas Natioowide Transport, headed by Sir Peter Abeles, bas agreed to buy 3.5m Santos shares at A\$7.00 a share
—a total of A\$24.5m (U.S.\$27.1m).

It has already paid A\$14m for 2m shares, and will obtain the other 1.5m shares by the end of

The Bond group is expected to use the funds from the Santos sales, together with A\$20m from a syndicated loan now heing finalised to make a fresh move upon White Industries, the New South Wales coal group. Theboard of White, supported by the Japanese group, Mitsuhishl claim to have the support of more than 50 per cent of White's capital following a sharehmarket contest in February in which the price of White shares sourced within three days from A\$8.00 to more than A\$30.00.

The White camp has publicly claimed that Mr. Bond has stated that Bood group interests have gained control of 45 per cent of the capital of White, hut the listed Bood Corporation has to date only admitted to a holding of 5 per cent. However, it has been widely reported that to buy the Saotos shares at Mr. Bood has some arrangement A\$3 each. The latest deal will over 25.8 per ceot of White mean that the Wardleys

held by Mr. Kerry Packer's Con-financing will solidated Press Holdings. The A\$45m to be obtained from the Santos sale and the syndicated loan would be sufficient for the Bond group to acquire a 45 per cent stake in White.

The Ansett purchase of Santos shares would lead to the unravelling of the complicated shareholding structure which arose after the South Australian Government last year passed legislation to force the Bond groop to reduce its stake from .5 per cent to maximum of 15 per cent. The Cooper Basin sopplies Sydney and Adelaide's natural gas requirements and the potential for oil reserves has been significantly upgraded

Ansett, which is one of the higgest consumers of energy in the country sees the Santos purchase as a significant investment in energy. If the Cooper oil producing area it would give Ansett an offset to future iocreases in fuel prices. Although reduced its stake in Santos to 15 per cent it has entered into various "huy-back" arrangements over further parcels. The 2m shares already hought by Ansett come from such an arrangement. Ansett recently entered into an agreement to huy 3m shares in Saotos to support an A\$20m loan obtained by the Bond group

merchant hank, Wardleys. . Ansett agreed, if hecessary,

from the Hong Kong-based

mining investments.

# **Investments Limited**

Extract from provisional announcement to the London and Johannesburg Stock

> Year Ended 29.2.80 282 79 Rands 000 Rands 000:

Net Profit attributable to

Earnings per share 93.9 cents 59.9 cents Proposed Final Dividend 28 cents · 20 cents

\* Record Turnover ир 21.5% \* Record Earnings

up . 56.6% Dividend 33 cents for year up 32%

Dividend Cover 2.8

20 New Retail Stores opened in year bringing total of Central News Agency Bookshops to 217.

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April, 1960

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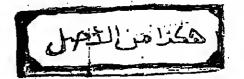


Creditanstalt-Bankverein

AEY RATES

and the

# CURRENCIES, MONEY and GOLD



# **Dollar steady**

THE DOLLAR recovered from within the European Mooetary System, and showing a stronger tendency against the dullar, after a weakness caused by expectations of a continuing balance of payments deficit in Germany with DM 1.7985 previously and The D-mark showed little change swFr 1.6690 against SwFr 1.6710 on balance egainst its EMS partin terms of the Swiss franc. The in terms of the Swiss franc. The oers, losing ground to the French dollar's recovery cams despite franc and Danish kroner, but further shap falls in Euro-dollar improving in terms of the Dutch forther shap falls in Euro-dollar improving in terms of the Dutch pairs, with dealers suggesting find its rise reflected a little dollar size in the radio of month book squaring departions. Euro-dollar rates better quoted at 144 per cent for Breemonth against 154 per cent for Breemonth against 154 per cent for Breemonth against 154 per cent for seemanth compared with 144 per cent for seemanth compared with DM 1.7956 compared with DM 1 improving in terms of the Dutch guilder and Belgian franc. The dollar was fixed slightly lower at

Sterling fell more sharply currencies, mainly as a result of brofit taking. It was also weak agenst European currencies fall-ing from DM 4.1061 to DM 4.0850 against the D-mark and to FFr 4.5350 from FFr 9.5875 against asso from FFT 9.5875 against the French franc. Its trade seighted index slipped to 73.2 hom 73.7, having stood at 73.4 at noon and 73.6 in the morning. The pound may also have been affected by reports that a fall in UK interest rates as soon as possible was the main priority of British economic policy. The D-mark was fixed at BFr 16.0440, np from Monday's figure of BFr 16.0245, while the French

shis was the main priority of shis was the dollar, sterling weak within the EMS and suffering two devaluations in 1979—The Danish kroos was generally mixed in Copsnhagen yesterday, losing ground at the fixing in \$2.2920 initially hefore falling to \$2.2750 as the dollar racovered. Much of the day's trading took place between \$2.2725 and \$2.275, hat towards the end of the day selling out of New York in extremely thin trading saw the bound fall to \$2.2670 before coming back to close at \$2.2695. \$2.2705, a fall of 1.35c from 5 two devaluations in 1979—The Danish kroos was generally mixed in Copenhagen yesterday, losing ground at the fixing in two devaluations in 1979—The Danish kroos was generally mixed in Copenhagen yesterday, losing ground at the fixing in two devaluations in 1979—The Danish kroos was generally mixed in Copenhagen yesterday, losing ground at the fixing in two devaluations in 1979—The Danish kroos was generally mixed in Copenhagen yesterday, losing ground at the fixing in Durby ground at the Durby ground at the Durby ground at the Durby ground at the fixing in Durby ground at the Durby ground at the fixing in Durby ground at the Durby ground at the fixing in Durby ground at t DKr 12.8070 compared with DKr B-MARK-Slightly improved 12.9185 on Monday.

### BELGIAN FRANC-No longer the weakest member of the EMS helped by high interest rates and heavy central bank support when necessary—The Belgian franc lost ground egainst other EMS currencies in Brussels yesterday and was lower against the dollar and sterling. The U.S. unit rose to BFr 28.87 from BFr 28.565 and sterling was higher at BFr 69.0575 compared with BFr 65.93.

		•		
EMS	EUROPEAN	CURRENCY	UNIT	RATES

	ECU central rates	Corrency amounts against ECU April 29	% change from central rate	% change edjusted for divergence	O(vergance ilmit %
Salgian Franc	39.7897	40,2347	+1.12	+0.32	+1.53
Danish Krona	7.72336	7.84842	+1.62	+0.62	+1.64
Garman D-Mark	2,48208	2.51188	+1.20	+0.40	±1.125
Franch Franc	3.84700	3.85201	+0.09	0.71	+1.3557
-Dutch Gulldar	2.74362	2,77798	+1.25	+0.45	+1.312
Insh Punt	0.668201	0.677447	+1.38	+0.58	±1.868
talian Lire	1157.79	1178.62	+1.80	+1.51	±4.08
Changes	are for FC	II therelare	modifies che	one denotes a	

week currency: Adjustment colculated by Financial Times.

### THE DOLLAR SPOT AND FORWARD

	April 29	Dey's	Close	Dna month	% p.e.	Three	% p.a.
	UK†.	2.2870-2.2920	2.2695-2.2705	0.63-0.53c pm	3.07	1.17-1.07 pm	
	relands	2,0540-2,0680	2,0540-2,0560	0.80-0,70c pm	4.38	2.00-1.75 pm	3.65
9	Consda	1.1857-1.1898	1.1895-1.1898	0.01-0,09c dia		0.10-0.16dia	
r	Nothind.	1.9780-1.9945	1.9930-1.9945	0.68-0.59c pm		2.16-2.08 pm	
	2olg:um	28.73-29.01	28.83-28.95	4-70 dis		5-10 dis	-1.04
r	<b>Oanmark</b>	0.6145-3.6335	0.6275-3.6300	2.00-2.50ora dis		3.50-6.00dis	-4.09
-	W. Ger.	1.7880-1.8075	1.7975-1.7985	0.75-0.65pf pm		2.50-2.40 pm	
f	Portugal	49.10-49.40	49.25-49.40	15-30c dia		40-90 dis	-5.27
_	Spain	70.25-70.70	70.60-70.70	20-35c dls		65-85 dis	-4.25
_	Italy	843.25-848.70	845.00-845.75	1-2ilra dia		35-5 dis	~2.01
9	Norway	4.9230-4.9330	4,9230-4,9260	0.50-0.10ere pm		2.00-1.50 pm	
•	France	4.1800-4.2045	4.1990-4.2010	0.55-0.45e pm		2.05-1.35c pr	
3	Sweden	4,2330-4,2500	4.2395-4.2400	0.40-0.20ora pm		1.20-1.00 pm	
•	Japan	237.75-239.75	239,20-239,30	0.60-0.40y pm		1.35-1.16 pm	
	Austrio	12.75-12.85	12.847-12.95	5.00-4.30grp pm	4 34	16.00-13.00p	
2	Switz.	1.6570-1.6790	1.6685-1.8695	1.30-1.20c pm	2.89	3.65-3.55 pm	

### THE POUND SPOT AND FORWARD

April 29	Day's Spread	Closo	One month		Three months	% p.s.
U.3.	2.2670-2.2920	2.2695-2.2705	0.63-0.53c pm	3.07	1.17-1.07 pm	1.97
Canada	2,6980-2,7200	2.6990-2.7000	0.65-0.55c pm	2,57	1.20-1.10 pm	1.76
Nethind.	4.50-4.55	4.504-4.514	31,-21,c pm	8.98	8-7 pm	5,65
Balglum	65,60-66,05	65.65-85.75	15-6c pm	1.83	25-15 pm	1.22
Oanmark	12.77-12.87	12.771-12.785	2-3½om dia	2.70	64-74 dis	-2.21
Iraland	1.1040-1.1115	1.1050-1.1060	0.10-0.05p pm	0.61	0.37-0,32 pm	1.25
W. Ger.	4.07-4.134	4.08-4.09	3-2pf pm		81,-71, pm	7.83
Portugal	111.70-113.00	111.80-112.00	par-40c dis	2.14	30-150 dis	-3.22
Spain	150.20-151.10	160.50-180.60	par-70c dis	-2.62	55-110 dis	-2.05
Italy	1,918-1,933	1,9181-1,9191	21 lire pm	0.94	4pm-14 dis	0.06
Norway	11.18-11.31	11.12 - 11.19	4-214om pm	3.35	10-81 pm	3.26
France	9.53-9.60	8.53-9.54	41-31-c pm	0.03	111-105 pm	4.61
Swaden	9.61-9.72	2.62-9.63	374-21 ora pm	3.90	8-67 <sub>2</sub> pm	3,06
Japan	540-552	5421-5431 <sub>3</sub>	3.05-2.55y pm	6.19	S.90-5.40 pm	4.15
Austria	29.12-29.33	29.15-29.20	20-15gm pm	7.20	52-42 pm	0.44
2witz.	9.78-3.84	3.7812-3.7812	44-3146 pm	11.27	10 <del>ב'9 ב'</del> 10	10.42

Batgir Six_m	onth 1	ls for co orward do	nvertible fra lier 2,35-2.2	ence. Financial fran Sc pm. 12-menth 3	c 65,80-66 .95-3.80c	90. ·
CURF	REN	CY RA	TES .	CURRENCY	MOVE	MENTS
April 28	Bank rato	Special Orawing Rights	European Currency Unit	April 29	Bank of England Index	Morgan Guaranty Changes 2
Sterling	13 16.67 634 14 13 7	0,564227 1,22656 1,63202	0.609663 1.62226 1.65422 17.9977 40.2035 7.86622 9.50876 9.77471	Sterling U.5. dollar U.5. dollar Canadien dollar Austrian schilling Belgian franc Danish kronor Deutsche mark 2wiss franc Guilder	86.6 79.8 165.0 110.4 106.8 155.6 127.7	-38,2 -6,6 -12,3 +84,6 +14,0 -4,4 -46,1 +72,2 +12,8

Reced on trade waighted changes from

### OTHER CURRENCIES

April. 22	£	5		Note Rates
Argentina Peso	4045-4005	1778-1725	Austria	28,95-28,28
Australia Dollar	2.0350-2.0390	0.8250-0.8885	Balgium	66,30-67,00
Brazil Cruzeiro		42,26-48,06	Benmark	12,78-12,83
Finland Morkka	2,45-8.46	3,7200-0,7880	France	2,34-9,50
Grack Drachmo	96.635-97.271	41,85-42,15	Germany	4.10-4.13
Hong Kong Dollar		4,8850-4,8925	Italy	1890-1945
ran Rial	nia	n/o	Japan	543-548
Kuwait Olnar(KO)	0.817-0.687	0.8718-0.9719	Nothorlands	4.62-4.55
Luxombourg Frc.		88,93-22,95	Norway	11.20-11.2
Malaysia Dollar	5,0550-5,0750	2.2350-2.2380	Portugal	1024-1191
Now Zealand Dir.	2.3470-2.6680	1.0330-1.0340	Opain	1674-1654
Baudi Arab. Riyal.		3.3295-3.3305	Bweden	2.66-8.73
Dingapore Collar.	4.8550-4.2650	2.1840-8.1880	Switzerland	3.7712-3.801
Sth. African Rand	1.8160-1.8170	0.8000-0.8005	United States	8,275-2,88
LAE Ofthorn		3.7925-8.7835	Yu aslavia	4819-51

Rute given for Argentine is free rate

### EXCHANGE CROSS RATES

¥.									·	
April 29	PoundSterling	U.S. Dollar	Dautschem'	d Japan'seYen	FranchFranc	Swies Franc	OutchGuild'	Italian Lire	Canada Dollar	Belgian Franc
Found Sterling U.S. Dollar	0.441	2.270	4.085 1.800	643,0 939,2	9.530 4.800	3,790 1.670	4,613 1,988	1819. 845,4	2.700 1.189	65.70 22,94
eutschomark apanese Yen 1,000.	D.245 1,842	0.056 4.180	7,083	132,9 1000,	8,534 17,58	D.828 2.980	1,105 8,310	469.8 3534.	0,661 4,271	16,08 181,0
Francia 10	· 1.049 0,264	2,321 0,522	4.284 1.078	5,955 148,8	10,	3.97e 1.	4.733 1.191	2013. 606,3	2,831 0,712	66.20 17,34
Dulch Guilder Bulian Lira, 1,000	0,822 . 0,521	0.503 1,183	0,905 2,129	180,3 283,0	9,115 4,902	0.240 1,975	2,381	425.3 1000.	0,598 1,407	14.56 34.24
Cenadian Dollar	0,370	0.841 4.455	1.513	201.1	3,53e 14.51-	1.404 5.768	1,672 5,268	710,8	4.100	24.84

### EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit; one-month 14.10-14.20 per cent, three-months 14.05-14.15 per cent; six until 13.15-13.25 per cent, one year 12.30-12.50 per cent

April 22	Sterling	U.S.Dollar	Canadian Bollar	Butch Guilder	Swiss Franc	Wost Germon Mark	French Franc	Italian Lira	Asian 0	ispansas Yen
Bhort term	1719-174 1719-174 174-1766 1719-1766 1666-1642	124-1212 1276-1318 1419 1434 1454-10 14-144	15-18 15-16 15-10% 1518-15% 14%-14%	10-10-4 10-10-4 10-4-10-8 10-4-10-8 10-4-10-8	12-15 83 <sub>4</sub> -31 <sub>4</sub> 61 <sub>8</sub> -56 <sub>9</sub> 6-2-6-6 014-63 <sub>9</sub>	21g-914 91g-214 9-914 216-976 9-21g	12 / 12 / 18 / 18 / 12 / 18 / 12 / 18 / 18	12-14 154-161 <sub>2</sub> 18-171 <sub>8</sub> 164-174 18-17	18-1314 1278-13 1436-1416 1456-1434 1078-14	101g-11 111g-111g 111g-1115g 185g-13 127g-125g

Long-term Eurodoller two years 121-13 per cent; three years 134-125 per cent; four years 12-125 per cent; five yea

### INTERNATIONAL MONEY MARKET

### Quiet trading Frankfurt rates firm

firm in Frankfurt yeoterday, reflecting uncertainty over today's meeting of the Bundeshank entral council, and heavy eod of month revenue transfers out of its market. With U.S. interest enes continuing to show an market tendency, the market is not expecting any change in rates effer today's meeting, but for the time being rates are remaining firm. As the cost of short-term money reached 9½ per cent to hanks were reported to have sotained funds through the Lombard facility, and call money eased back slightly to 9.4 per cent. End of month social insurance payments were likely to drain a large amount of liquidity from the market, and were cited as another reason for the strength in short-term money central council, and heavy eod of A QUINICASA

the strength in short-term money stee. Call money stood at 9.4 Per cent yesterday up from 9.20 Per cent on Monday. Longerterm rates were mostly thickanged.

1103.4

In Brussels the Belgian Central Bank reduced its special Lombard rate to 17 per cent from 18 per cent. All other rates remain the same. The special Lombard rate is applied whao banks have consumed their cormal moothly advances, under. the ordinary Lombard facility currectly charged at 15 per cect, and marks another step io the authorities' recent shift towards lowering interest charges in general. On Mooday rates on two- and three-mooth Treasury bills were lowered to 17 per cent,

MONEY RATES

9.35 9.35

12,50 12,5625 12,6875 12,6875

NEW YORK

GERMANY

FRANCE

Overnight Rate ......

Discount Rate
Cill (Unconditional)
bills Discount (three-month)

reflecting the authorities' success in hanling the Belgian franc off the floor of the EMS by means of record interest rates and heavy central bank intervention. In Paris call money was quoted at 12} per cent unchanged from Monday, while period rates also remained static.

**UK MONEY MARKET** 

# **Further**

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979) Day to day credit continued to be in short supply in the London money market yesterday, and the authorities gave assistance on a very large scale. This comprised small purchases of Treasury bills, Apart from the Treasury hillo all the bills were bought on a eale god repurchase basis. The guthorities also lent a large amount to 7 or 8 houses et MLR for repayment today.

The market was faced with the repayment of Monday's very loans at the start and closing large lending, bot oo the other laide banks brought forward per cent and 17 per cent. In the

Gold finished \$7 an ounce lower than Monday's close in the London bullion market yesterday et \$516-521. The metal opened at \$505-510 and rose in quiet trading to a morning fixing of \$513. In the light of current uncertainties in the Middle East, there was a general lack of sell-ing interest and the metal rose

morning and FFr 74,500 (\$552.36) on Monday afternoon. In Frankfurt the 124 kilo bar was fixed at DM 29,520 per kilo (\$514.55 per ounce) against DM 31,030 (\$537.04) previously, and closed at \$512.517, compared slightly at the afternoon fixing to \$513.75.

In Paris the 121 kilo bar was fixed at FFr 72,200 per kilo wiously.

Monday.

In Zarich gold closed at \$517-522 against \$522-527 prefixed at FFr 72,200 per kilo viously.

(\$535.70 per ounce) compared with FFr 72,000 (\$535.10) in the

	April 29	April 28	
	Gold Sullion (fine o	unce)	
Close  \$516-521 Jpening\$605-610 Morning fixing  5516 Afternoon fixing   \$513.75	(£227,8-2291 <sub>4</sub> ) (£221 <sub>2</sub> -2923 <sub>4</sub> ) (£224,055 <sub>1</sub> (£225,477)	\$526-528 \$533-568 \$536.25. \$514.25	(£228,8-851_0) (£232,1-234_3) (£266-052) (£222,382)
	Gold Coins		
Krugerrand	(£234-937) (£328-234) (£58-52) (£581 <sub>2</sub> -70) (£681 <sub>4</sub> -70)	\$535-539 \$524-534 \$132-134 \$158-121 \$158-161 \$138-141 \$652-560 \$519-527 \$540-860	(2234-237) (2282 tg-236 tg) (2567+58 tg) (259-71) (258-71)

balances a moderate way above interhank market overnight loans target, and there was a small opeced at 171171 per cent and excess of Government disbursements over revenue transfers to while before coming back to 171the Exchequer.

17t per cent. During the after-noso rates eased to 16t-17 per Discount houses were paying up to 17 per cent for secured call cent but closing balances were loans at the start and closing taken at 17j-17j per cent. nominal in some cases.

LONDON MONEY RATES

April 20 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Сотралу		Treasury	Eligibie Bank Bills ¥	Fine Trade Bills ¢
Over night	17½-17½ 17½-17½ 17½-17½ 17½-15¼ 18½-15¼ 15‰-15½	1654-18 1712-1732 1713-1742 1714-1743 1714-1743 1715-1612 1532-1578 1532-1578	175 <sub>6</sub> -175 <sub>4</sub> 175 <sub>4</sub> -177 <sub>9</sub> 175 <sub>6</sub> -175 <sub>6</sub> 171 <sub>2</sub> -175 <sub>9</sub> 165 <sub>9</sub> 185 <sub>4</sub> -16 155 <sub>6</sub> -157 <sub>9</sub>		1778 1778 1778 1778 1778 1778 1514 15	175 <sub>9</sub> 177 <sub>2</sub> 177 <sub>3</sub> 177 <sub>3</sub> 17 165 <sub>9</sub> 165 <sub>9</sub>	163.	   1578-155 15- 15-    	17-k	1714 1712 17 1578

Local authorities and finance houses seven days' notice, others seven days' fixed. \*Long-term local authority morrgage retes nominally three years 15½-15½ per cent: lour years 15-15½ per cent; five years 14½-15½ per cent. #Bank bill rates in table are buying rates for prime paper. 2uiying rates for lour-month bank bills 16½-16½ per cent; four-month, trade bills 16½-16½ per cent; two-months 15½-15 per cent; three-months 15½-15 per cent. Approximate selling rates for one-month bonk bills 17½ per cent; two-months 15½-15 per cent; two-months 15½-15 per cent; one-month trade bills 17½ per cent; two-months 16½ per cent; one-month trade bills 17½ per cent; two-months 16½ per cent; one-month 16½ per cent.

per cent.

Figures Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing
Bank Deposit Rates for sums at seven days notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury
2 lits: Average tender rates of discount 16.0529 per cent.

### WORLD VALUE OF THE POUND

(2k) bankers' rates: (cm) commercial rate: (cn) convertible rate: (tn) financial rate: (exC) exchange certificate rate: (k) Scheduled Territery; (nc) non-commercial rate: (nom) nominal; (o) The table below gives the least available rates of exchange for the pound against varieus currencies on April 28, 1980. In semo cases retes are naminal. Market rates are the avarage of buying and selling rates no direct quotation available; (F) free rets; (P) based on U.S. dollar partitles and going starting/dollar rates; (S) member of the sterling area other than Ocheduled Torritories; (T) touriet rate; (Bas) basic rate; (bg) buying rate; foreign currencies to which they are tied.

Abbreviations: (A) approximate rate,

PLACE AND LOCAL UNIT	VALUE OF £ STERLING	PLACE AND LOCAL UNIT	VALUE OF £ STERLING	PLACE AND LOCAL UNIT	VALUE OF & STERLING
Afghanistan Afghani Albania Lek	100,0	Greenland Panish Kroner	12,8025	Peru,	exc(A) 087,73
Albania Lek	10,25	Granada (S) E. Caribbean \$ Guadaloupe Local Franc	6,20	l Philippines Philippine Peso	10.80
Algeria Dinar	8. 7880	Guadaloupe Local Franc	9,5875	Pitozirn Islands (5) (£ Sterling New Zealand-\$	_
Anderra French Franc	9.5875	Guam U.S. 5	2,9835	Pitoairn relation (o)   New Zealand-\$	8,5605
(Spanish Peseta	160,60	Guatemaio Quetzai	2,2835	Poland,,,,,, Zloty	(Cm)68.74
Angele Kwanza Antigua (8). P. Ceribbean S	52,686	Ouinea Republic Sily	44.10		(T)68.74
Antigue (8) E_ Ceribbean \$	0.20	Guinea Bissau Peso	78.60	PortugalPortugu'se Escudo Port Timor Escudo	112.45
Argentina Ar, Peco Free Rate	4,064 2,0555	Guyana (S) Guyanese 5	5,8230	Port Ilmor Ilmor Escudo	118,45
Australia (S) Australian \$	29,245	Haiti	11.42	Puerro Mico U.S. \$	[ £,2033
Azores Schilling	112.45	Kenduras Panub Lampira	4.8110	Qatar (S), Qatar Ryei	8.44
Azores Purtug. Escucio	112,40	Hong Kong (S) H.K. \$	11 16	Reunion lie de la French Franc	e.5875
Bahamas (S) Re. Dolfar	2,2855		(com) 72,2501	RómaniaLeo	( (Cm)9.52
Rehmin (6) Olace	0.807	Hungary Forint	(T)(nc) 47,0885	KOMENIE,	(n/c)T25_64
Balearic Islas	160,50	Iceland IS) I- Krena	965.0	Rwanda Franc	199.38
Bangledesh(S) Taka	84,58	India (C) Ind Duna	12.05	St. Christopher (8) E. Caribbean \$	5.20
Barbades (S) Rebados #11	4.0870	India (6)	1,435.10	mt Uni-na 64 Uniona D	1.0
Beiglum B. Franc	((am) 65,85	Iran	n/a	St. Lucia E. Caribbean \$	6.20
	1(fn) 07.20 4,5070	Iraq Dinar	0.5724	St. Pierre Local Franc	9.5875
Belize 2 \$	472,375	iraq Dinar Irlah Republic (k) Irlah £	1,1105	St. Pierre Local Franc St. Vincent (3) E. Caribbean \$	8,20
Senin C.F.A. Franc	2,2838	) israel Shekei	9.95	Salvador El Colon	5,73
Sermudo (8) Bda \$ Shutan Indian Rupae	18.06	italyLira	1,933.0	Samos American U.S. S	2,8855
Bolivia Bolivian Peso	67.30	Ivory Coast O.F.A. France	472.375	San Marino	1,935.0
Bottwana (S) Pulo	1,8060	Jamaica (S) Jamaica Dollar	4.0725	Sao To'e & Principe Dobra	78.75
Brazil - Cruzales **	. 118.18	James Ca (3) amiliared politic	881.0	Saudi Arabia Ryai	7,64
Brit. Virgin Islee(5) U.S. 5	2,2836	Japan Yen Jordan (S) Jordan Dinar	0.686(sg)	Senegal C.F.A. Franc	478,375 14,50 (SG)
Brunei (S) Srunei \$	4.9750			Seychelles S. Rupee Siarra Leone(S) Leone	8,4175
SulgariaLev	1.9010	Kampuohea Riel	8,740.2 17.03	Singapore (5) Singapore \$_	4,2750
Burundi Kyat Burundi Franc	15.42 197.805	Kenya (S) Kenya Shilling Kiribeti Australian \$ Korea (Sth) Won Korea (Sth) Won	2.0535	Solomon Islands(8) Solomon Is. 8	1.9480
BUTHING! BUTHING! FIRE	197.805	Kores (Nth) Won	1.974(1)	Somali Republic Somali Shilling	(A)13.75
Cameroon Repub's C.F.A. France	479.375	Korea (Sth) Won	1,345,82	J South Africa (S) Rand	1,6320
Canada Canadian \$	2,7106	Kuwait Kuwait Olner	0.625	South West African	
Canary Islands Spanish Peseta	100,60	Jaco Min Bet De	817.2	Territories (8) S. A. Rand	1,8820
Cane Vende Isla Cane V Feetide	23,70	Lebanon	7,8105	SpainPeseta	160.60
Cayman Islands (8) Cay.  s. \$ '	1,9030	Lesotho Loti	1.8320	Spanish perts in North Africa Peseta	1.
Cant At Repub C.F.A. Franc	479.375	Liberia Liberian S	2,2835	North Africa Pesetz	160.50
Chad C.F.A. Frano	478,375	Libya Libyan Binar Licohtanstein Swiss Franc	0.6760	Sri Lanka (S)	62.69
Chile C. Peso	BK) 89,47	Lieohtenstein Swiss Franc	3,81626	Sudan Republic Sudan £ (1)	1.14
China Renminbi Vuan	5,4090	Luxembourg Lux Franc	65,25	Sudan Republic Budan £ (2)	1,89 4,0875
Colombia C. Peso Comore Islanda C.F.A. Franc	(F) 101.92 4 <b>79.</b> 378	Macao, Pataca	1 18.15	Surinam	1.8320
Congo (Brazaville). C.F.A. Franc	479,375	Madaira Portug'as Escudo	112.40	Sweden S Krone	2.70125
Costa Rica	12.65	Madeira	479.575	Sweden	6.81628
Cuba Cuban Peso	1.5975	Malawi (5) Kwacha	1.85	Syria. Syria &	IA)B,9655
Cyprus (5) Cyprus £	D.808	Majaysia (8) Ringert	8.1325		(P)88.20
	((com) 18.10	Maidive Islands (S) Mai Rupee	9.0115	Talwan	18.16
Czechoslovakia Koruna	₹ n/c24,U8	Mali Republic Mail Franc	958,25	Thailand. Baht	45.60
And the second s	(T)20.48	Matta (S) Maltese £	0.793 9.0075	Thailand	479,375
Denmark Danish Krone	12,8620	Martinique Local Franc Mauritania Ouguiya :	97,96	i Tonga Islanda (S) Pa anga	2,0535
Dibouti Fr.	380.0 (180)	Mauritina (8) M. Bunes	12.85	Trinidad (S) Trinidad & Tob, \$	2.4805
nomities (9) """ F" (SUBBISH P	5.20	Mauritius (2) M. Rupes Mexico Mexican Peso	02.46	Tunisia Tunisian Dinar	0.909 (SG)
Dominican Repub Dominican Peso	2.3835	Miguelon	479,375	Turkey Turkish Lira	164.06
	( ( IO) 57.00	Miquelon C.F.A. Franc Monaco Fronch Franc	9.5870	Turks & Calcos U.S. 5 Tuvalu Australian \$	9,2835 8,0035
Ecuador 2uora	(F) 64.93	Mongolia Tuetik	(o)2.5748(II)		
Egypt Founties &	(U) 1.21	Morocco E. Caribbean \$	0,20	Uganda (5)	16.26
Egypt Egyptian & Egypt	160.00	Morocco Dirham	8,79(ag) 66,06	United States U.S. Dollar	g.2835 j(om)19,26
Ethiopia Ethiopian Birr	(P) 4.0950	Mozambique Moz, Escudo	90,00	Uruguay Uruguay Peso	(fn)19.99
		Naury Australian Dollar	8.0638	Utd. Arab Emirates U.A.E. Oirham	8.54
Falkland Islands  8 Falkland is. &	1.0	Nepal Nopalese Rupee	87.40	U.S.S.R. Rouble	1.4500
Faroe Islands Danish Krone	12,8620	Netherlands Guilder	4,35623	U.S.S.R. Rouble Upper Volta, C.F.A. France	479.375
Fill late nds Fill \$	1,9146	NetherlandAntilles Antillian Gullder	4.0876		1.263.0
Finland Markka	2.0350	New Hebrides Frenc.	160(sp)	Vatican	2.8527
France French France	2,5876 479,376	New Toolar	2.0535		(0)4.9780
Franch C'tyin AP C.F.A. Franc Franch Guiano Local Franc Franch Pacific is C.F.P. Franc	9.6875	Now Zealand (5) N. Z. Oollar	8.3600	Vietnam Dong	(1)4,884(1)
Franch Pacific is. O E D Error	164.0 (sg)	Nicerague Cordoba	18,35 472,370	Virgin Islands U.S. U.S. Dollar	2.2835
The section of the se	Tota (ag)	Niger Republic, C. F. A. Franc Nigeria 181 Naira	1.267479 (sg)	Westom Comes (8) Sames Tela	8,1745
Gabon C.F.A. Franc	479,375	Norway Norway Krone	11.97375	Westorn Samoa (S) Samoan Tala	
Gambia (5)	4.0			Yamen (Nth) Ryal Yamon (Sth) S. Yoman Dinar Yugoziavia Now Y Dinar	10.38(3G)
Garmany (East) Defmork	4.10626	Oman Surate of (S) Rial Omani	D.793	Yamon Isthi S. Yoman Dinar	(A) U,7800
Germany (West) Deutsche Mark	4.10625	Pakistan, Pakistan Rupee	88.58	TUZOSIZVIA NOW Y Dingr	47.8177
Ghana (5)	5,25	Panama Balboa	- 8.2835	Zaire Republio Zaire	5.687691
Ulbraitar (X) Gibraitar &	1.0	Papua N. Guinea(S) Kina	1,5798	Zambie Kwacha	1.81
Grasca Orachma	96,63	Paraguay	284.45	Zimbabwe Zimbabwe 8	1,4850

"That part of the Franch community in Africa formerly Franch West Africa or French Equatorial Africa. †Rupees per pound. ‡Genera 95.90, \*\*Rate is the transfer market (controlled). ††Rate is new beed on 2 Serbedoe \$ to the dollar, ‡‡Now one official relicable on all transactions except countries having a bilateral agreement with Egypt, and who are not mombers of IMF. (||) Beed alen mounts. (2) Persiel rate for alternasctions except specified exports and imports.

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. \$40,000,000



# anamex

### Banco Nacional de México, S.A.

(A private banking institution incorporated in the United Mexican States with limited liability) Floating Rate Capital Notes Due 1987

The following have agreed to subscribe or procure subscribers for the Notes:

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The Royal Bank of Canada (London) Limited

Société Générale de Banque S.A.

The issue price of the Notes is 100 per cent. The Notes have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Notes.

Interest is payable semi-annually in May and November, the first payment being made in November 1980.

Full particulars of Banco Nacional de México, S.A. and the Notes will be available in the Extel Statistical Service and may be obtained during usual busioess hours up to and including 13th May, 1980 from the brokers to the issue:

> Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

29th April, 1980

### **ESTATES AND GENERAL** INVESTMENTS LIMITED

HIGHLIGHTS OF 1979

Year ended 31st Decem	Der	
	1979	1978
:	E000	£000
Gross investment rental 1	,103	491
	,028	857
Profit after tax	609	421
Ordinary dividends		172
Net dividends per share	1.4p	1.2p
Earnings per share 3	.40p	$2.99\overline{p}$
Dividend cover	2.4	1.9

- Di Record profit before tax.
- Gross investment rental now exceeds £1,300,000. Directors estimate surplus of approximately
  - £2.5m on investment portfolio.

If above surplus included, net asset value per ordinary stock unit is 69p-1978: 52p.

U.S. \$35,000,000

Floating Rate U.S. Dollar Negotiatable Certificates of Deposit, due 28th April, 1982

The Tokai Bank, Ltd. LONDON



in accordance with the provisions of the Certificates, notice in accordance with the probabilist in the Certificates, notice is hereby given that for the six months interest period from 28th April, 1980 to 28th October, 1980, the Certificates will carry an Interest Rate of 15 % per annum. The relevant Interest payment date will be 28th October, 1980.

Merrill Lynch International Bank Limited Agent Bank

Companies and Market	is		WOI	RLD STO	CK MAI
Stock   Apr.   124   124   Apr.   Apr.   124   124   Apr.   Apr	Stock   28   25   Stock   28   25   Stock   28   25   Stock   26   Columbia Gas.   3716   3716   Gt. Atti. Pr. Columbia Pict.   3176   3186   Gt. Basina Combustn. Eng.   52   52   Gt. West F. Communication of Communication of Communication of Communication of Communication of Comp.   35   3516   Mailliourbo Conno.   456   451   Mailliourbo Conno.   456   451   Marnischn Harnischn Harnisc	Apr	Stock	Stock   26   2   2   2   2   2   2   2   2	AIDED BY the rapid de U.S. interest rates over few days, Wall Street ce to rally in moderate earing yesterday.  The Dew Jenes II. Average was 4.35 fm 809.81 st 1 pm, while the All Common Index acents at \$60.14 and advanced declines by a 2 syven-to-figion. Trading volume site. 39m shares from II pm total of 21.95m.  Analysts said the refinancially alling First vanis and expected appered and an amajor industrial tion.  Howavar, they adde institutional investors most part held to the septical that the rally last, and captious shood betienal developments seepitical that the rally last, and captious shood betienal developments seepitical that the rally last, and captious shood betienal developments seepitical that the rally last, and captious shood and Ford Motor, which was due to meet the Goarantee Review Beard day afternooo, rose i to American hostages from Metors were higher, which day, recorted a \$164m quarter loss, nevertheless i to \$244.  First Pennsylvania di to \$51. Federal Baok reand 8 groop of orivette have assembled a \$500m of assistance for the bank said it expocts fearning opss short-term hut a reprofeshility in 1981.  American Brands rose \$851. on raision the quarter opense for the bank said it expocts fearning to see the see
Apr. Apr. Apr. Apr. 23  Apr. 26 24 23  Industr's 865.49 865.58 797.18 788.29  I'me 8'nde 71.14 70.70 70.29 70.3  Transport. 259.29 241,19 248.29 248.7  Utilities 168.63 108.65 109.97 108.19  Trading Vol 36,800 08,880 25,790 42,820  a Day'e high 814.68 lew 708.70	Apr. Apr. 1980 Sines Cmplit*  Apr. Apr. 20 High Low High Low  5 788.85 759.15 905.84 758.13 1051.70 41.22 (11/73) (21/75)  4 88.87 68.89 74.01 85.27 (21/11 (21/3) (21/75) (21/15)  2 245.45 235.29 355.88 255.69 106.20 (27/5) (32/6) (32/60) (47/75) (31/11 (28/6) (27/5) (32/60) (47/75) (31/26) (27/5) (32/60) (47/75) (31/26) (31/26) (47/75) (31/26) (31/26) (47/75) (31/26) (31/26) (47/75) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31/26) (31	AUSTRALIA Sydney All Ord. 118 Metals & Minis (153 AUSTRIA Credit Aktien (21/8 Belgian 66 /61/12/63 DEHMARK Copenhagen SE (1) FRANCE CAD General /28/12/10 CERMANY FAZ-Aktien (61/12/68 Commerzbank(Dec	6/83] 4856,19 4822,31 (c) 4789,36 12) 67.84 60.29 88.28 68.57 13) 96,85 95.58 25,77 86.84 1478) 77.21 77.30 77.64 78.67 1811 184.0 105.8 182,20 185.7 160,5 98.9 89.50 100.1	105.78 (11/2) 89.14 (51/5) 88.74 (2/1) 74.78 (5/5) 117.80 (22/6) 97.1 (5/1) 169.78 (13/2) 95.50 (3/1)	Hercen Energy   35   3934     Nthn. Telecom   40   5   40     Oakwood Pet   1734   1734     Dmni   0.66   0.35     Datino   0.66   0.35     Pan can Petrol   70   70     Patino   31   31     Power Corp   41   1373     Placer Dev   61   2   31   4     Power Corp   14   2   1373     Quebec Strgm   4.75   4.86     Ranger Dil   2634   26     Ranger Dil   2634   26     Reed Paper 8 Pf   778   8     Rie Algom   2014   22   2     Royel Bank   3082   3936     Royel Bank   3083   3936     Royel Bank   3083   3936     Royel Bank   3083   3534     Saegram   64   26   334     Onell can Dil   36   2   304     Steel sf Can A   9618   2554     Teck 8   1012   1578     Texaco Canada   25   35     Texaco Canada   35   35     Toronta Pom Bk   2578   2378     Transcan Pipe   22   22   4     Trans-Mntn Oil A   114   148     Walkerilmnic H   24   24     Wastcoast Trans   358   35   370     Westcoast Trans   358   35   370     Westcoast Trans   358   358   370     Westcon (Geo)   22   3   328     Tole   358   358   358     Test   358   358   358     Tanscan Pipe   368   378   378     Tanscan Pipe   378   378     Tanscan Pipe   378     Tanscan Pipe   378     T

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NEW YORK-DOW JDNES	Apr. Apr. Apr. Apr. 1980
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	AUSTRALIA Sydney All Ord. 11856:391 707.51. 785.19 (c) 760.29 947.47 /14/2, 760.00 (2/1) Metals & Minls (1936/89) 4856.19 4822.91 (c) 4758.96 9888.95 \ 14/2 \ 4581.89 \ 128
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77ading Vol 00,550 36,500 08,550 36,790 42,620 47,820 27,860 (27)8) (28)4,985) (28)41	DEHMARK Copenhagen SE (1:1/18) 77.21 77.36 77.54 78.67 85.74 (2/1) 74.78 (6/
a Day's high \$14.68 lew 708.70	FRANCE CAD General (28/12/811 184.0 105.8 182.20 185.7 117.80 (22:81 87.1 15:11 Ind Tendance (28/12/79) 160.5 89.9 89.60 100.1 168.76 [15/2] 95.50 (3/1)
ind. div. yiaid 2 Apr. 25 Apr. 18 Apr. 11 Year age (appre	CERMANY FAZ-Aktien (61/12/58) 225,63 221,87 220,66 221,75 258,89 (25,2) 212,73 (28/
STANDARD AND POORS  Apr. Apr. Apr. Apr. Apr. Apr. Apr. Apr.	HOLLAND
### ### ### ### ### ### ### ### ### ##	HONG KONG Hang Seng Bank/51/7/84  870,85  950,15  854,19  886,37  065,17 (18/2) 758,9 (18
(13/2) (27/9) (11/75) (17/6)	STALY Banca Comm. Ital (1872), 94.98 95.12 (et 94.98 95.31 (85/2) 85.11 [2/1]
Ind. div. yield % 3.77 6.86 6.74 6.08	JAPAN Cow Average (16/5/49)   Ici   5875.83 5804.91 5830.51 8904.01 (28/4)   6475.35 12 Tokyo Hew 8E (4/1/50)   Ici   487.85 458.92 455.10 472.65 (14/2)   449.01 (19)
Ind. PIE Ratio 7.15 5:80 7.14 8.71	HORWAY
Long Gov. Bond Yield 16.86 16.48 11.64 2.11	Osle 3E (1/1/72) 119.17: 119.38: 119.41; 119.77: 144.78 114/2) 115.12 (25/8)
H.Y.S.E. ALL COMMON Rises and Falls Apr. 28 Apr. 25 Apr. 25 Apr. 25 Apr. 25	SIHGAPORE Straits Times (1888) 471,54; 469,56; 487,15; 475,55; 584,11 (6/5) 429,75 (5/1)
Apr. Apr. Apr. Apr. 25 High   Low   1829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,843   1,829 1,8	SOUTH AFRICA Gold (1058)   101   555.2   572.4   588.5   504.5   6/5)   505.8   4/1   1   1   1   1   1   1   1   1   1
HEW LOWS 19	SPAIH Madrid SE (28/12/78) 55.47 Ic) 08.75 90.13 108.28 (21/2) 95.47 (29/4)
28 26 24 25 High Low	SWEDEH Jacobson & P. 11/1/56) 565.71 561.45 564.14 564.72 586.98 (8/2) 854.72 (17:1
Industriol 645.04 545.04 347.94 547.48 420.50 (29.2) 325.21 127.65 Combined 510.15 517.69 518.68 519.54 578.90 (29.2) 296.90 (27.6)	SWITZERLAHD Swiss Bank Cp. 131172/58: 289.5 289.80 285.90 288.2 517.9 (11/2) 284.3 (22/6)
TORONTO Composite 1860.3! 1840.4! 1843.8! 1888.7 8192.9 125/2) 1702.5 /27/5)  NEW YORK ACTIVE STOCKS	WORLD Capital Intl. (1/1/78)       128,9   120,9   128,4   145,5 (15/2)   120,5 (27/8)
Change Ch	Base values of all indices are 100 except NYSE All Common—60; Stands and Poors—10; and Toronto—1.080; the last named based on 1975. 1 Exclude bonds. 4 400 Industriels. § 400 Industriels plus 40 Utilities. 40 Financials at 20 Transports. c Closed. u Unavaliable.
Amer. Home Prd. 345,600 2515 +1 Texaco 313,700 454 +1	

# Dow 4 higher at mid-session

cents at \$60.14 and advances led Flow General gained 2; to declines by a 29ven-to-five margin Trading volume slowed to Cancer Institute cootract is sup18.39m shares from Monday's ply Interferon. 1 pm total of 2L95m.

Analysts said the rescu2 of financially ailing First Pannsylvanis and expected approval of in reasonably active trading yes-Federal loan guarantees for terday morning. The Torosto Chrysler eased fears of the post Composite Index rose 9.3 to

However, they edded that fustitutional investors for the most part held to the sidelines. sceptical that the rally will not last, and captious shout inter-Dational developments since the failed U.S. attempt to rescue American hostages from Tehran. Motors were higher. Chrysler. which was due to meet the Loan Goarantee Review Beard yesterday afternoon, rose i to 7%. Gen eral Mptors hardened 1 to 45; and Ford Motor, which on Mon-day, reported a \$164m firstquarter loss, nevertheless gained

First Pennsylvania dipped to \$51. Federal Baok regulators and a gropo of orivate banks have assembled a \$500m oackage of assistance for the bank, which said it expects farnings weak-oss short-term but a return to pro6tability in 1981. American Brands rose 31 to

8657, on raising the quarterly dividend, Bethlenem Steel added to \$201 despite lower first quarter orofits. Soorry, whose March quarter evenings were higher, advanced 11 to 847. Cities Service moved ahead 18 to \$931 after raising the divi-

Closing prices for North America were not available for this edition.

### Canada

. Markets were firmer-inclined Chrysler eased fears of the possible failure of a major bank and a major industrial corporation.

However, they edded that institutional investors for the Mentals Banks and San 1.806.6. In the major industrial corporation. Mentreal, Banks put en 136 te 302.78.

Among Oils, Gulf Canada climbed 31 to C\$1501, Imperial Oil "A" 11 to C\$411 and Dome Petroleum 11 to C\$711.

### Germany

Stock prices displayed an easier bias in slack trading with the Commerchank index losing 2.0 to 693.5.

Dealers believed trading was low key hecause of the West German holiday tomorrow and to reluctance by the institutions to enter major new positions towards the end of the month.

Motors were hroadly lower, with Velleyman down DM 220 with Volkswagen down DM 3.29 at DM 186.80,despite announcing higher profits.

Prices on the domestic bond market were mixed, with the Bundesbank selling DM 19.1m cominal of paper, after huying DM 22.6m the previous day. Mark Eurohonds were steady.

### Paris

AEG-Telef... Allianz Vors... BASF BAYER.....

**AUSTRIA** 

Creditanstalt ... Landerbank .... Perimooser. .....

ARBED.

BELGIUM/LUXEMSOURG

Price FI4.

2,110 —45 6,400 2,000 +20 986 +26 9,200 -40 6,680 -40 2,465 -5 1,300 -9 1,129 +2 9,250 -16 1,666 -1 1,5500 +26 3,800 +20

74.1 -0.8 374 -1 142.0 -0.3 126.0 -0.6 921.6 272 +2 170 ----

945 +6

128 -1

243.5 -0.2

37 -0.5

82 +3

127 +1

112.7 -0.8

216.6 -1

360 -2

194.6 -1.8

189.1 -6.8

260.6 -0.8

260.6 -0.8

260.6 -0.8

141.2 -0.1

141.2 -0.1

162.0 -2.8

163.0 -2.8

Hoechst 113.4 +0.3
Hoesch 27.2 -0.4
Holzmann IP) 130.5 -1.6
Kali und Salz 152
Karstadt 945 +6

SWEDEN April 29

Atjas Copco... Bofors..... Celiulasa.... Electrolux....

Fagersta
Grænges
Me och Dem
Sash-Scanie
Sandvik
Skattdia
Skat Enskilda
SKF
St. Kopparberg
Sven Handelsbr
Tandstik
Uddehoirn

SWITZERLAND

Alusuisse
Brown Boveri
Cliba-Gaigy
do [Part Cortsi.
Gredit Suisse...
Elektrowatt.
Fischer [Got]
Hoff-Roche 1 [10]
Interfood...
JCIMOI
Landis & Gyr...

2,645 258 3,550 455 250 745 367 6,800 3,750 3,750 2,080

+10 <u>-- 1</u>

173 | +1 130 | -5 64.5 | +1.0 63.5 | -6 101 | -5 103 | -5 94.0 | +0.3

21.0 -1.3 86 124 +1 124 +1 009 -3 234 +2 72.0 +1.5 205 +2 68 81.5 -0.3 29.5 -0.3 78.6 +6.3

JAPAN April 28

Oakel
Okeo
Dal Hippen Ptg
Dalwa House
Oalwa Selko
Ebara
Ersel
Fuji Blank

'uji Film -----

Itachi Koki.... Ionda Ieuse Food....

+10 +7 -4 +8 +7 -9

+5 +15

-2 -11 -2 +3 +2

+10 -1

Bourse prices were inclined to improve on light volume. to improve on light volume.

Iovestors had been encouraged by news of strong 1979 earnings growth by many French company from a weak U.S. dollar The market was closed yester rate, but pertially recovered in the Emperor's Burblay.

formers, each posting a gain of 7 per cent on the day. Other issues in demand included Gredit Du Nord Le Henin, Comptoirs Modernes. Ferodo, Dumez, Michelin, Dassault, Perrier, SAT, Rhone Perrier, SAT, Rhone Poulenc. Applications des

Gas, L'Oreal and Carrefour. In contrast, Simnord weakened Picarde, CFAO Alsthom-Atlan-tique and Penarroya

### Hong Kong

Stocks generally advanced in fairly active two-way trading lifting the Hang Seng index 12.70 Australia more to 875.85

Monday's latest cuts in U.S.

Prime Rates followed by strength in the Hong Kong dollar led some speculators to expect a reduction in local Prims Rates. However, sarly empharia, ? ? ? ? by institutional huying, was tempered later by local investors taking profits.

Hong Kong Land sdwanced 30 cents to HK\$11.10 and Jardine Matheson 20 cents to HK\$12.30.

However, Hong Kong Wharf eased HK\$1 to HK\$65.50 following New World International cents to A\$6.50, but some interest

pered later by local investors taking profits.

Hong Kong Land sdvanced 30 cents to HK\$11.10 and Jardine Matheson 20 cents to HK\$14.30.

However, Hong Kong Wharf eased HK\$1 to HK\$65.50 following New World International Holdings plans to ecquire 28.5m shares in the company. shares in the company.

### Amsterdam

Mixed share price movements although trads in the Books sector was lively and Issues rose around 30 to 50 cents.

The stock market will be clessed for the inauguration of

ADED BY the rapid decline in dand and reporting first-quarter.

U.S. interest rates over the last not earnings more than doubled. Ingut performance on Wall FI 0.70 to FI 113.80. The days, Wall Street continued to rally in moderate early trading yesterday.

The Dew Jenes Industrial THE AMERICAN SE Market Average was 4.35 firmer at Valua Iodex added 2.23 at 252.09 mixed.

All Common Index added 13 shares (2.15m).

ADED BY the rapid decline in dand reporting first-quarter terest rates and the firm over FI 1.00 to FI 151.80 and Unitever night performance on Wall FI 0.70 to FI 113.80.

The Bood market to the generally firm trend, while buying was reported towards the Portfolios, Foods and Oils were close of the session. The State's mixed.

All Common Index added 13 shares (2.15m).

Fresses de la Cite and Sacher bearing 10.5 per cent was quoted from the general gained 21 to formers, each position a gain of

Johannesburg Gold shares lost further ground, but later picked up to close above the day's worst. helped by a rally in the ballion

President Brand lost R1.75 6 per cent, while among others R38.50, Kest, Driefontein, respectively of the Pleaner of the Ple among mainly steady Mining Financials, Gold Fleids SA rose-R3.50 to R73.50. Diamond leader. De Beers recouped an initial fall. of 28 cepts to close unchanged at R9.20.

Pancontinental receded 30 cents to A\$6.50, but some interest was seen elsewhere in the Uranium sector. Scattered gains included a 40 cents rise to A\$6.50 by Queensland Minesland a 30 cents gain to A\$7.40 by Peko-Walisend.

Elsewhere in Minings. CRA put on 4 cents to A\$5.14. Leichardt 30 cents to A\$1.10 and Utah Mining 10 cents to A\$1.10 and Utah Mining 10 cents to A\$4.30 but MINING 10 cents to A\$4.30 but MINING

16 cents to A\$4.30, but MIM lost 5 cents to A\$4.00.

panies, the decline in U.S. in the afternoon. Royal Dutch shed holiday.

CANADA	<i>:</i> .	BELGIUM (continued)	HOLLAND	1	AUSTRALIA		5	JAPAN (cont	inued)	٠.٠	- per	
' Anell	Li April	April 29 Frs	April 29 Price	+ 01	April 29	Price Aust	+ 01	April 28	Price	+ or	ini.	
Stock 28	I! April 25	Petrofina 5.180 : -96	Fis-	<del></del>	ANZ Group	· '4.50	7	Kubota Kumagai Kyoto Ceramie	555	1 -5	. 7	ui.
bitibi 184	101	Royals Beige, 5.660	ACF Holding 73.2	+0.9	I VELOM VITET			Kumagai	389	7-1	· · · · · ·	;=
gnico Eagle 11	1110	I SOC GED BOIDS 1.5DU - TU	Ahold 58# 23.1 AKZO 23.1	1 -0.2	Allatais Expl.	1.18 1.04	-0.02	Lion Coramic	252	+30		
ucan Alumn 995a	2912	Soflez 5.3405	A8H	+2.3	JASSOC PILIC PRI	p. 1.92	1		436			
sbestos		Softez	AMEN MANAGEMENT TOO, 1	+6.1	I Audimed	0.22		Makita	1.030	-20	==::	•
K MOntreal 9512	9858	UC6 1.368 ; +66	8redero Cert 202,5	+4.6	Aust Guarant:	1.40	, abj	Lievins	578	417		
K Hova Scotla 2434		Union Miniere 754: -16	Bos Kalls 90.8	1 -0.2	S WIRE MAY ILIGAT.	2 42	-	Marul		-3	7.7	Ť.,
lasic Resources, 1154	1 1178	Vieille Mont 1,332   -24	Buchrmann-Tet 81.5 Caland Hidgs 26.7	+1.5	Aust Paper	1.62	+0.61	E BREETERSHIEL OF SALES	W 61	±7	72.0	• •
all Canado 1878	: 1879		Elsevier	+5.0	Bank H2W.	2.85	-0.03	M'biahi Bank	. 414	1	, ≔ =-	٦.
ow Valley 451g	45	DENMARK	Euro Com Tat 70	1-1:5	Sluo Metal	1.48	+0.08	M'bishi Corp	706	-7	. : :	
P Canada 4112 rascan A 2518		1	Euro Com rac 70	***	Borno Hidgs.	.2.36	+0.18	M'bishi Elec M'bishi Ri Est	195 362	1	23	
rince 75g	754	April 29 Price + or	Gist, 8roades	+0.1	81'villo Copper.	2.15m	10.00	MHI Mitsui Co	184	1	<del></del>	_
.C. Forest 22	9214	Kroner -	Hoogovens 18,5	-0.1	Brambles Inde.	1.95	1	Mitaul Commun	317	112-	- '	· ••
adiliac Fairy 1716 amflow Mines 1634		Andelsbanken 108.25 -4.25	Hunter Douglas. 20.2	+6,8	The same of the sa					1 72 -	•	
an Coment 12	1214	Andelsbanken 108.25 —4.25 Baltica Skand 285.5 —0.5	INCHAGENER WITHOUT TOO'	4	BHP		+0.10	NGK Insulators	459	-2		- 1
an NW Lands 1778	1758	Burm & Wain 64,76 +1,50 Cop Handelsbnk, 105	Naardan 15.3		Brunswick Oil. GSR Cariton & Utd.	5 12	+0.02	Nippon Denso	JI, 120.	Aures	2 :: :	
on Packers   211-	1 2114	Cop Handelsbnk, 105 D Sukkerfab, 212,29, —2,75	Hat Ned Cert112 Hed Gred Bank 60.3	100 25 42.5	Carlton & Utd.	1.82	,-0.01	Nippon Gakki	409	-2 -1	c 7.55	• :
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n Trustco 23	2414	Last Asiatio 1001	Ned Mid Bank213 Hediloyd	+2.1	Cockburn Com	1,35	1	i Nippon Shinben	1 587			-
ທ ໄ <b>mp Bank</b> 243₄	2454	rinanspanken147.00	Hediloyd	+0.3	Coles (G.J.)	1.85	-001 ¥005	Nippon Steel Nippon Sulsan	-133	+1		•
in Pacific 25	20 3758		OGEMMANNE TOO	-0.3	Colas (G.J.) Comaloo. Cons Gold	6 00	1 +0 08	NTV	4.480	-20		
n Pacifie Inv. 52	394	Forside Dampsk 160.25 +6.25	5 mmeren (Van) 232.6	+6.5	I COMMUNICE:	4.00	autalises.	NTVMotor	680		- :	
n Tire 2434	05	GNT Hidg 159 Nord Kabel 132,00 +0,25 Novo Ind 238,75 Papirfabrikker 103,00	Pakhoed ammund 42,4	-0.1 -0.3	Conzine Rictio	3.14	46.84	i Mashin Fining	3226	-2		•
erokea Res 1012	1058	Novo Ind238,75	Philips	-0.6	Costain Crusader Oil Deniep	2.80	I	Hissin Steel Nomura NYK	132	-		_
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son Bay Mng. 24 as	2438	Souygues 600 +9	ANIC 814	-3 <sub>4</sub> ·	Higholas Int	1.26		TBS	324	<b>–8</b>		
300's Bay 2372	2354	BSN Gervals 011 +11	Assicur Gen 51,450 Banca Com'le 13,350	-350	Horth Bkn Hill.	3.00	+6.04	Tokio Marine	591	+5	n ny	·
Oll & Gas 1134 ky Oil 8954	8812	Carrefour	Bastogi Fin 666	156 1	Oakbridge Otter Expl	: 1.90	-0.18 +D.05	Tekyo Elect.Pwr. Tokyo Gas	521 112	<del></del>	*: " . ·	,
11	1118	Club Mediter 333 +1 CGE358 +6	Centrale 9395	+255	Pancon Pan Pacific	5.50	C:50	Токуо Балуо	588	4 :		
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Bloedel 2518	40.4	GFP	Olivetti	-0.50 -25	Opergos Extil	0.42	+6.81	Yamaha Motor	990	L. 11. 3	-1 -2	
S 4 Spenser 74	8	December 1	Pirelii Co 1.065	. 0	Thos Hatwide	2 32 1	+0.01	Yamazaki	495	-4		
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and Explor 0414	82. 1	Gen. Occidental .: 293.5   1.6		+1	Utah Mining	4 XA '	+0.18	Yoku, awa Boge.	,605 <sub>.</sub>  ,		4 - 1	
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I	0.35 17	Peribas 228.0   +0.2	Kroner		April 29	Price	- 1	Franker & Manyo	6.ZU		Carre	1-
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RT DRV   Dlla	314 1	'eugect-Cit 218   +2   :		+0.3	Cosmo Prog	1.87		iolay Brew	4.70		-	
r Corp. 141g		Radiotech 260 14	Cesmos 463 ! .		Cosmo Prop Press Herbour	9.10		CEC	8.20 - -	+0.05.	600	-
00 origin""  4'10 ;	4.86		ersk Hydro 517.5	-76 f	Eastn Asia Nav.	5.20		en Elect	1.56	# <b>0.8</b> 1	70)	3

CORAL 84 —1 8-95 —0.05 35 —1 4-30 —0.05 1.60 —0.05

Unisec 1.85 | -0.95
Financial Rand US\$0.93
(Discount of 251%) BRAZIL

How to

### More zinc producers lower prices

. By John Edwards,

SEVERAL MORE zinc prothey were lowering their official European price from \$825 to \$780 a tonne. Since the West German smelter, Metallgesellschaft, lifted its price from \$760 to \$780 on Monday, it appears that \$780 is now the accepted level of the ne wEuropean

> Zinc values were marginally easier on the London Metal grehange vesterday, but this reflected the downward trend in appper and lead, which continued to come under selling pressure. Lead was also affected by the decision of Assrco to cut its U.S. domestic selling price by 2 cents to 40 cents a pound. Noranda later simounced it was reducing its selling price for lead in the U.S.

by 2 cents to 42 cents. In London offerings of more supplies drove the cash price of lead down by £12 to £390 a tome, putting it at a discount £45 to the three months quotation.

The easing of a technical supply squeeze depressed copper cash wirebars by £15.5 to £907.5 a tonne, while the three months quotation lost £6.25 to £934.75. The market rallied following reports of U.S. and Iranian aircraft exchanging

Tin prices ended higher in spite of a hig drop in the Penang market overnight. It was noted that the Straits tin price, which fell by \$M77 to \$M2,288 a picul (133.3 lb) was merely coming into line with London prior to its one-day boliday closure today.

### Rubber falls sharply

KUALA LUMPUR — The market clused sharply lower yesterday with May No. 1 RSS naoted at 306.50 cents per kilo, down 11 cents from the previous

After opening 4 cents lower or overnight weaker conditions in London, the market eased gradually on renewed selling activity and a lack of buyers. Productions of Malaysian ribber fell to 1.60m tonnes in 1979 from 1.61m in 1978, reflecting output falls in both peninsular and east Malaysia, the United Planting Association

of Malaysia said. On the London market the No. 1 RSS price fell 1.5 cents to 62.0 cents a kilo, its lowest of Brazil's Sugar and Alcohol level since October.

# Antler velvet harvest outlawed in Britain

BY RICHARD MOONEY

BRITISH DEER farmers' bopes the time the velveting aeason of building up a profitable reaches its beight in June, and ethical considerations.

The velvety coating on grow
"There is no information"

"I think that it is important that we deal with this undersirthat we deal with this undersirbe amputated before they are this country to cootribute to the able practice before it becomes fully grown, while still provided supply of antier velvet," it a feature of deer farming in the country," be told the House of Commons.

A report published yesterday by the Farm Animal Welfare Council recommended that antler barvesting should be prohiblted in Great Britain and Mr. Walker said the Government was acting immediately in implement the Council's advice. "We have today lald the first of the eceasary Orders to do so before Parliament," be said.

Professor Richard Harrison. chairman of the Council and be boped the new laws, which will carry a £500 penalty and possible prison sentence for

the far eastern "medicine" ing antiers fetches high prices avilable to us about the pharmal in the bud yesterday when Mr. Peter Walker, the UK Agriculture Minister, announced that the harvesting of antiers from live by this stage it bas no compared to the harvesting of antiers from live by this stage it bas no compared to the considerations. "In our with nerve and blood supplies. concluded.

A considerable trade bas built up in New Zealand to supply this market, and there bave been rumours that some British deer farmers bave begun to harvest antiers in velvet for the aame purpose.

Farmers claim the removal of growing antiers is not unduly painful or distressing for the stags and that the sale of the velvet provides a useful addition to income from venison production.

offenders, will be in force by benefit to farmers is insig- to humans.

against consumption to be about

7m, tonnes in the 1979-80 crop

In Brussels vesterday the

sugar at its weekly selling

tender, which was held a day

earlier than usual because of

The maximum rebate was set

On the London world sugar

market, prices were easier.

reflecting lack of speculative

interest and the helief that the

market is somewhat overbought,

PEKING - Geologists have

found bauvite deposits at 31

locations in Sbanxi Province,

accounting for 26 per cent of China's known bauxite reserves,

the New China News Agency

It said a strip mine was under development at Xiaoyi County in Sbanxi, which was expected

to produce 500,000 tonnes of

bauxite find

at 6.381 European Currency

impending bolidays.

Chinese

bas reported.

mercial value. To cash in on its considerations. "In our the market, the antiers bave to opinion, there is no need for

> Professor Harrlson said the council planned to look at the whole subject of deer farming with a view to establishing a code of practice. There was no objection to deer farming for veniaon production, be added.

Veterinarians giving evidence to the council said it was very difficult to anaesthetise aotlers satiafactorily. The drug mainly used in New Zealand during amputation — xylazine — was mainly effective as a aedative and local anaesthetics were seldom used. Drugs are avail-But the Council bas conseldom used. Drugs are avail-cluded that the process probably able which are bighly analgesic is painful and that the economic but these are very dangerous

# Cuban sugar crop cut New Zealand

RIO DE JANEIRO -- Cuba's shortfall io world sugar output 1979/80 sugar crop will be reduced at least 10 per cent because of the outbreak of sugar rust disease on the island, according to Cuba's director for EEC Commission authorised the foreign trade Amadeo Blanco, export of 28,350 tonnes of white foreign trade Amadeo Blanco, reports Reuter.

Mr. Blanco, who was attending meeting of the group of Latin American and Caribbean Sugar Exporting countries (Geplacea), said the disease will also adversely affect next year's crop. He noted most of Cubas cane plantations are susceptible to rust. Although these are being replanted with resistant varieties, the replanting can

only be done at the rate of 25 per cent a year, Mr. Blanco said be was not aware of a reported arrangement under which Cuba would supply sugar in exchange for

Mexican oil. Cuba will continue to import petroleum and although it pro-duces sufficient alcohol from cane to satisfy Cuba's alcohol needs, there are no plans to embark upon a programma to replace petroleum with sugarbased alcobols, be added.

· Hingo de Almeida, president

37, 36, 35, 32, 34, 35. Cethodes: Ceah £896, 97, 99, 98. Kerb: Wirebera: Three

# dairy talks

QUEENSTOWN, New Zeeland New Zealand and the EEC have agreed to a joint market-lng approach for New Zealand's dairy products, Mr. Brian Talboys, New Zealand's overseas trade minister said, yesterday. Mr. Taiboya met Mr. Wilhelm Haferkamp, Vice-President of the EEC Commission and Commissioner for External Relations at the weekend for the first

round of a series of talks on New Zealand's trade relations with the Common Market. He said they had discussed the possibility of developing a "parallel interest" in dairy products to influence world mar-kets and to develop new

Mr. Talboys sald New Zealand and the EEC Commission will also investigate joint research on new dairy-based products. He added that the Commission hes not yet determined New Zealand's butter quota for Europe after the country ships

this year's queta, But, Mr. Haferkamp indicated a "positive" approach to the question of access of New Zealand butter into the European market, according to Mr. Talboys.

### contract, which comes into effect on May 18, are 5.4p over the average all pigs price (AAPP) calculated by the UK Meat and Livestock Commis-

for bacon

contracts

By Our Commodities Staff

FMC, BRITAIN'S blggest

bacon curer bas introducved

a new "super grade" into the

supply contracts offered to

plg producers. The new grade,

designated AA1, will fetch an

extra lp a kils over Al pigs, the old top grade. The AAl grade is intended to meet the

requirements of the growing

Basic premiums in the new

market for leaner bacon.

sion for AA1 grade, and 4.4p for Al. Discounts against the Al price for low-grade plgs will be 5.7 for B1 and 12.2p for C1. FMC said to make contract

prices more responsive to changes in the pig market only the latest week's AAPP will be nsed. Previously prices were based on the average for the past two weeks. The contract will continue

to allow for adjustments up-wards or downwards in the basic premium in the light of fine relationship between the bacon and pig prices hut a guaranteed minimum of 1p over AAPP is offered for AAL

Announcing the new contract yesterday FMC said it expected producer returns to improve substantially in the coming year

# Super grade U.S. soya estimate lower

WASHINGTON - U.S. soyabean ontput this year is expected to fall within a range of 1.9 to 2.2bn busbels compared with the record 1979 output of 2.3bn, according to the U.S. Agriculture Department, reports Reuter

In a summary of its Fats and Oils situation report, the USDA said with the increased carryover stocks of 425m bushels projected for the autumn, sup-plies in the 1980-81 season will probably reach a new high, exceeding the 2.44bn bushels projected for this season.

The USDA said prices have dropped sharply this season, due largely to the beavy oilseed supply relative to demand.

Prices received by farmers bave fallen from around \$7.00

a bushel last August to under \$6.00 in April, The lower prices for soya-beans relativa to cotton and feedgrains have resulted in a reduction in projected 1980

plantings, but hy leas than one per cent to 71.3m acres. The USDA said total soyabean use this season is expected to be 8 per cent to 9 per cent above last year, while total supplies are forecast at 20 per cent more than a year earlier, resulting in the build-np in carryover stocks.

The Department noted that soyabean crusbinga during Sep-tember March totalled 686m hushela, about 13 per cent above a year earlier. Strong demand for soyabean meal coupled with favourable processing margins early in the season encouraged

expected to decide soon whether the Soviet Union will be permitted to purchase U.S. grains under the fifth year of the U.S.-USSR grain supply agreement, beginning October 1, 1980. Senior U.S. Agriculture Department officials sald the White House and USDA officials are reviewing U.S. policy on the

USDA expects the decision will have to be madet fairly soon on the Soviet purchase of grains. The Administration must decide wbether the Commerce Department may issue export licenses to permit ship-

agreement

ment of the grain.
President Carter's January 4 decision to embargo shipments to the USSR above the minimum 8m toones in the current supply year did not presume that the sale of 8m tonnes of U.S. grains would also be permitted in the fifth agreement year, one official

"It was a logical presump-tion but it was not necessarily so," be added.

The USSR has not purchased any U.S. grain for delivery after

October 1, 1980.
Our Commodities staff writes:
Until now the official American line bas been that the U.S. will bonour its obligations under the fifth, and final, year of the five-year grains pact with the Soviet Unlon, starting from October

Under the agreement the USSR is entitled to buy up to a maximum of 8m tonnes of grain and must purchase a minimum wishes to continue expanding of 6m tonnes. Although these meat production.

Meanwhile it was reported are antomatic commitments, that President Carter is there is normally a meeting of renresentatives from the two countries to plan shipments for

the year ahead. So far Moscow bas not come up with a suggested date for the meeting and the U.S. Is becoming increasingly restive. It is felt the Russians are probably walting to see what kind of harvest they are going to bave this year. The weather

bas been favourable so far, but

as bappened last year the out-look can quickly change If the Russiana do have a bumper barvest, as hoped, they may prefer to do without U.S. grain if at all possible hearing in mind the soured relationship between the two countries and the forced cutbacks in Soviet livestocks berds this year as a result of the U.S. embargo that would reduce the need for grain imports. At the same time Russia has been busily cultivat-

ing new sources of grain aupplies, notably Argentina. The U.S., when ennouncing the embargo in January, were empahtic that the terms of the long-term five-year grain pact with the Russians should be honoured-reportedly at the

insistence of Mr. Cyrus Vance, theo Secretary of State. Possibly the departure of Mr. Vance has changed Washington's views, especially as it appears the Russians are walting to see wbether they will require the grain or not. However many grain experts suggest the Soviet Unioo must remain dependent on U.S. imports if it

I think it would be wrong to

claim that the use of strew and

loose bousing was the only factor responsible for the

excellence of the calves I saw

at Quantok. This largely

depends on the quality of the

stock, and I have seen others doing as well on slats and in

stalls. But I bave seldom seen

# Alternative methods for veal production

1980.

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE ANIMAL welfare lobby the expansion of veal product of cheap meat and other meat tonne as long as the ration concondemns the production of veal turn round and bave no chance of exercising their rumens by eating straw or other roughage. This isolation is claimed is to prevent disease. The consumption of bay or straw is said to discolour the meat.

That such a regime is essential was contradicted to my satisfaction after visiting one of the units run by Quantock Veal in Cambridgeshire, this week. There, calves are loose boused They appeared to be in the pink the Italians 20 times. of condition and happily chewing the cud because they bave

bad access to straw. In the opinion of Philip Paxman, managing director of tha

tion. Output in Britain today from overseas, at prices which in wooden slatted individual amounts to 40,000 carcases, of pens in which calves cannot which his company supplies 90 per cent. In addition, some 90.000 carcases are imported from Holland every year.

There was no reason, accord-

ing to him, wby many more should not be reared in Britain, as some im calves were exported to the Continent last year, some of which no doubt returned in the form of veal. The Britisb, he said, should

he encouraged to eat more veal, wblcb up until now had been a in groups of 20 on straw litter in minority taste. The French eat naturally ventilated buildings. 40 times more than we do and

The basic reason for this, I believe to be historical. Milk fed yeal, tha basis of the Continental product, is expensive to produce and British farmers parent company, Volac, there had other outlets for their milk should be enormous scope for There was also the competition

tains 60 per cent of skimmed could not be matched by bome milk powder. production of veal.

European production used to be centred on family farms using cow's milk for the most part. Nor were there the facilities for the economical production of more mature beef. Veal suited the consumers and so the babit of eating it grew.

Since the formation of the European Community the whole picture has changed. Instead of being entirely small-scale production from whole milk on individual farms Intensive, almost factory, systems have been developed using feeds based on the 1m tonnes of surplus skimmed milk powder which the Community bas to.

any looking so quiet and free signs of stress. I could not comment on the relative profitability of the two systems, but I did think that

the claimed profit margin of about 10 per cent on a finished calf was a bit narrow. And I wondered what would happen if the EEC, by some miracle, got rid of its milk surplus and dispose of with a beavy subsidy: the subsidy disappeared. How At present skimmed milk ever, in that case, according to powder used for animal feed Mr. Paxman, there are other carries a subsidy of £300 per feed formulations available.

July 43.85, 41Maize—May 265'4-265'4 (266'4), July 277'4-278'4 (278'4), Sept. 285'4-286'4, Oec. 292'4-293, Merch 303'4, May

Pork Bellies-May 29.80-29.45 (31.15).

Pork Bellins—May 23,80-29,45 (31.1S), July 30.90-31.20 (32.50), Aug. 31.20-30.80, Fab. 46.40-46.35, Merch 46.35, May 47.05, July — Aug. — Silver—May 1380.0 (1375.0), June 1600.0 (14!S.0), July — Aug. 1436.0, Oct. 1470.0 Occ. 1506.0; Feb. — April 1573.0, Juna 1607.0, Aug. — April 1573.0, April 1573.0

127.5-188.0, March 182.5, May 196.0-

### Institute, aald he expects the bauxite ore a year. Reuter. BRITISH COMMODITY MARKETS

BASE METALS ier on the London

Ethange. A renewed decline in gold sastitled copper at the opening when toward metal dipped to £919, However, bowards the and of the pre-market measurs that U.S. fighters had shot manufacture u.s. lignore pace enter town an irenian allerant prompted a flary of short covering and fresh specularity buying which lifted the pice to £938. The market then fall sway following American denisls of the incident and three months metal incident £924 be Comex opened on the transfer of the context of the conte miched 1924 as Comex openad on a make note. Thereafter a recovery in the dollar egainst storling, coupled with a religious pold, saw lonward metal aug higher to close the late Kerb at 1937. Tumover: 17,950 tonnes. Amelgemeted Metal Tmding reported that in the morning cash wirebara field at £910; three months £939, 38,

£ 910-11—8 907-8 -10.5 934-6 -5.0 934-5-5 -5.25 911 -6 -5.0 

 $\mu \in \mathcal{P}^{k}$ 

Attemoon: Wirebars: Three months £933, 32, 30, 31, 35, 36, 35.5, 35. Kerb: Wirebare: Three months £933, 34, Kerb: Wirebere: Three months £933, 34, 33, 34, 35, 34, 33.

TIN—Marginally firmer. The sharp fell e1 Paneng saw lorward merel marked down to £7,500 et the opening, end lall further to around £7,450 during serly trading. At this leval covering egainst European physical interest and an easier trand in staring against the doller encouraged e relly which lifted the price to £7,550 during the rings. Ouring the attempon three months Ouring the atternoon three months meterial edged higher in quiet trading to and the late Kerb et £7,570. Turn-over: 395 tonnes. Morning: Standard: Three months £7,550, 80, 50, 40. Kerb: Standard: Three months £7,560, 70.

official - Unofficial -TIN 

Three month Aluminium 817-825 LG. Index Limited 01-351 3466. 25 Lamont Road, London SW10 0HS. Tax-free trading on commodity futures. 2. The commodity futures market for the small investor.

# CORAL INDEX: Close 435-440 (+5)

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demand for physical material. Forward metal opened around £397 and moved up to touch £402.6 around the lime of the U.S.-Iranian air cleah roumours before weakening to end the lete Kerb at £396.5, efter £395. Turnover: 6,700 81 £395.5, enter £355. femover, 0,755 fonnes.

Morning: Cash £403, 395, 94, 95, 96; three months £402, 01.5, 01, 398, 99, 400. Kerb: Three months £398, 99, Aftermoon: Cash £390; aarly-July £397; three months £397, 26, 95, 96, Kerb: Three months £396, 95, 99, 99, 97.

LEAD Official - Unofficiel -Cosh...... \$58-7 - 12.5 \$89.91 - 12 \$ 6 months 389 400 - 4.0 \$85-6 - 6.0 2/ment... \$97 - 18 - 48 .....

ZINC—Barely changed in quiat trading with lorward metal easing from £315.5 et the outset to the day's low of £308 belora respotering marginally to close the leta Kerb et £311.5. Turnover: 5,050 tonnes.

Morning: Cash £303, 298, 98, 98, 98, 18; three months £314, 13, 12, 13, 10, 08, 09, 10, Kerb: Three months £310, 09, 10. Afternoon: Three months £310, 10, 12, 11, Kerb: Three months £311.

official + or p.m. + or ZINC Cach ...... 229-300 -5 999-301 -3.25 S monthe 509-10 -5 511-8 -.75 S ment. 300 -5 -6 -75 Primw'ts -87,2 ..... ALUMINIUM-Moved ahead mainly ALUMINIUM—Moved shead melnly reflacting the Isil in sterling ageinst the dollar, which encouraged pemiatent buying of forward metal. The letter opened at £810 end rose to £823 prior to cloeing the late Karb at £820.5. Turnover: 3,850 tonnes.

Moming: Cash £835; three monthe £816, 16, 17. Kerb: Three months £917, 12, 20. Kerb: Three months £820, 22, 21, 20.

NICKEL-Slightly firmer as modest buring interest throughout the day buying interest throughout the dey litted forward metal to £2,760 belore profit-taking pered the price to £2,750 on the lete Kerb. Turmover: 896 tonnes. Morning: Cash £2,640: three months

Kerb: Three monthe £2,755. NICKEL official - unofficial -Spot ...... 2635-40 3 months 2735-40 2635-40 + 10 2550-5 + 20 2735-40 - 10 2750-6 + 20

£2,730; 35. Kerb: Caeh £2,840; three

months £2,735. Afternoon: Three months £2,735. 40, 50, 55, 80, 50.

SILVER Silver was fixed 7.75p an ounce higher for spot delivery in the London bullion market yesterdey at £8.0755. U.S. equivelents of the fixing levele were — spot \$13.87, up 12c+ threemonth \$14.333 up 3.4c+ six-month \$14.952, up 9.1c+ and 12-month \$15.943, up 8.3c. The metal opened at £5.9-£6.2 (\$137-\$144) and closed at £5.9-£6.2 (\$137-\$144)

05.95-06.25 (\$13<sup>3</sup>2-\$14<sup>3</sup>4).

Buillon + or L.M.E. | - fixing - p.m. price Unofficial per troy oz. 607,55p+77.5 606.50 -2.5 631,90p+8.55 688.5p -8.70 661,90p+8.55 - ..... 771,90p+11.9 - .....

LEAD—Lost ground in line with copper and also reflecting weakening demand for physical metarial. Forward man1 and both producers and con- 455.0, 453.0, 463.0-455.0, 21. Sales: sumars doclined to participate in coc been trading, reports Gill and Ouffus. Yest'rdeys + or Business

1950-50 1275-74 1382-85 1358-65 -- 4.0 1360-52 1880-90 +2.5 1380-77 1400-20 +2.6 1400-1327

Sales: 2,404 (2,727) lota of 10 tonnee. COFFEE

Robustee openad £10-£20 lower with most positions trading at their lowest levels since early April, raports Oresel aumhem Lembart. Heavy selling from one particular direction kept the merket under pressure for most of rha morning eession. Towards the close producer participation sperked some producer participation eperked some late activity into an otherwise feature-less elterneon but prices finished eround opaning levels with trading well metched.

Yestord'ye

Closa H or Business
Done COFFEE £ per tonne 1592-94 14.5.1591-85 1553-35 10.0.1538-86 1675-27-9.5 1681-7 1690-99-15.01701-90 1685-86-98,51695-90 1630-55 16.51640-58 1690-55 19.0 Salse: 2,964 (2,280) lots of S tonnes.

Sales: 2,504 (2,200) lots of 5 bonnes. ICS Indicator prices for April 28 (U.S. cents par pound); Othar Mild Arabicas 178.50 (179.50); Robustas ICA 1975 184.00 (162.75); ICA 1968 164.25 (163.00). Unwashed Arabicas 210.00 (same). Comp. deily ICA 1968 166.25

**GRAINS** 

LONION GRAIN FUTURES—Old crops opened unchanged on wheat to 1Sp lower on berlay. Conciderable selling pressure on berlay assed values in lairly thin volume to close 3Op lower on the day. Wheat registered loses of 2Op in thin volume. Trading weavery thin despite ealling pressure, reports Acii.

BARLEY WHEAT Yesterday + or | Yesterday + or | close - | close - | M nth May. 93.20 -0.20 92.00 Sept. 93.60 -0.70 91.80 Nov... 27.40 -0.85 95.10 Jan... 101.05 -0.80 98.95 Mar. 104.25 -0.80 102.20 9usiness done—Wheet: May 93.25-93.10, Sept. 93.90-93.70, Nov. 97.50-97.40, Jan. 101.35-101.00, Merch 104.30-104.25. Sales 85 lots of 100 tannes. Barley: Moy 92.60-92.00, Sopt. \$1.40-91.30, Nov. 95.20-95.10, Jan. 99.20-98.95.

IMPORTED - Wheat: U.S. Northern Spring No. 2, 14 per cent, May 91.50, June 92, July 93, transhipment East Coast. English Feed tob 98. Juna 99. East Coast. Maize: French April 117.25, May 117.75. S. African Yellow May-June 80. Asrley: English Feed fob May 87, June 99, HGCA - Locational ex-ferm ces. Feed barley: S. East \$2.40, West \$3,10; W. Midlends 91.10, Wcel 93.30. Other milling wheat:

March no trade. Sales 92 lots of 100

East 96.60. WOOL FUTURES LONDON NEW ZEALAND CROSS-

8REDS--Close (in order buyer, seller only). New Zealend cents per kilo. May 352, 355; Aug. 368, 378; 11ct. 368, 375; Oee. 368, 378; Jan. 368, 380; March 375, 390; Mey 375, 391; Aug.

RUBBER

The London physical market opened easier with little interest throughout the day, closing or a quiet note. Lowis and Pest reported a Melayelan godown price of 304 (315) cents a kg (buyer, May).

No. 1 Yest reays Previous Susiness R.S.S. Close Close Done 65.00-65.50 64.89-65.30 63.50-62.80 June.... 55,00-55,50 54,80-55,50 5-0-52,90 July..... 64,00-54,50 66,00-65,50 -Jly.-Sapt 65,70-55,80 36,70-68,99 86,00-65,00
Oct- flac 05,60-89,80 17,50-77,50-78,70
Apr- Jne 75,20-75,50 75,50-78,50 75,50-74,90
Jly.-Sep 1/8,00-78,10 78,70-79,10 78,00
Oct--flac 68,70-81,90 81,00-81,80 81,20-80,80
Jan-Mar 85,40-85,80 84,40-84,70 ---Selea: 287 (186) at 15 tonnaa, 12 (2)

Selea: 207 (1907) of 10 Minimum, 12 April 1907 (1907) of 10 Minimu SOYABEAN MEAL The London merket opened with smell loses on dull treding conditions, reports T. G. Roddick. Trade supper hald prices steady end Iresh buying late in esssion enabled the market to

meka emeli gaine. 

114.00-10.6 + O.50 Sales: 32 (64) lots of 100 tannes.

LONDON DAILY PRICE (raw auger): £241.00 (£242.00) o tonna cil lor April-May-Junc shipment. White auger delly price was £252.00 (£250.00). Prices were again contained within a £3 range in quiet trading conditions, reports C. Czamikow. Augar Pref. Yest'rdays Previous Busines Comm. Close Close Done

& per tonne May ..... 246,75-47,00,252,80-55,00,255,56-44,80 Aug ..... 254,80-64,80,256,75-56,00,297,25-82,50 Oct ..... 272,90-72,90,274,50-74,70,275,00-70,50

Sales: 4,313 (4,068) lots of 50 tannes. No. 4 CONTRACT—Close (in order buyer, seller only): May 245.00; Aug. 267.00, 267.75; Not. 274.50, 275.00; Jan. 279.50, 279.00; March 268.50, 268.50; May 289.50, 291.00; Aug. 290.00, 293.50. Sales: 591 (505).
Tale and Lyle ex-rafinery price for ranulastad basie white eugar was \$221.7 (same) a tonne for home trade £321.7 (same) a tonne for home trade and £322.50 (£325.00) for export. International Sugar Agreement (U.S. cents per pound fob end stowed Caribbean port). Prices for April 28: Osily price 22.77 (23.07); 15-day average 21.65 (21.46).

JUTE—May-June c and f Dundea: aWC £219, aWO £188, BT2 £256, BTC £230, BT0 £195. Antwerp May: aWC \$485, BWO \$410, BT9 \$635, aTC \$525, ATD \$460. Jule goode and Dundee: May: 40 in 10 oz £13.30, 40 in 7.5 oz £1081. A Twills £3342.

COTTON

LIME—Tumover 136 (158) lets of 10,000 ouncee. Moming: three months 630, 29, 25, 21, 23, 20. Kerb: three months 620. Afternoon: three months 630. ECCOA

COCOA

Cocoe futures moved within a £15 ange threughout the day and closed

PRICE CHANGES

Free Mkt Cash w'bar...£907.5 5 mthe ...£934.75 -10.5 £955 -5.25 £274.5 -0.5 £918.75 -2.5 £948 -7 \$503 -12 £467 -6.6 £441.25 -2.5556 -2.867.515c Cash What ... £934.75

5 nths ... £934.75

Cash Cathode ... £896

3 nths ... £896

6old troy oz ... \$519.5

Lead cash ... £390

5 nthe ... £395.5

Nickel ... £3,477

Freemkt(clf (lb 275/505c Wolfrm 2.04 & 5133/14
Zinc cash £300 -3.25 £311.6
3 monthe £311.5
Producars 5780-825 (\$896 \_6 5696 nut (Phil). \$890£ \_10 \$60S Seeds Copra Philip.... \$390s — 9 Soyabean(U.S.) \$266,15z \$476 \$261,60 Grains Barlay Futures £91,30 -0.70:£90,85 £116,50 ŧ No. 1 Red Spg. No.2HardWint. Eng. Millingt... Other

| Commodities | 

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's aids (unprocessed) per stone: Shelf cod (s.50-£5.00, codlings £3.80-£4.40; large haddock £3.30-£3.60, medium £3.30-£3.60, emeli £1.80-2.30; medium ploice E3.00, emeil 17.80-2.30; medrum places 23.00-23.60. best email 53.00-23.70; ekinned dogfieh (lergs) £8.50, (medium) £5.00; lemon solee (lergs) £8.00, (medium) £7.00; earthe £2.00-23.30.

**MEAT/VEGETABLES** MEAT COMMISSION—Average fetstock prices e1 representative merkets on April 29. G9 cattle 85.51p per kg lw (+0.86); UK sheep 141.4p per kg est dew (no change); G8 pigs 67.9p per kg lw (+0.7). SMITHFIELD—Pence per pound. Beet:

SMITHFIELD—Pence per pound. Beet: Scottlen killed sides 69.0 to 74.0: Eine hindquarters 82.0 to 65.0, lorequarters 48.0 to 50.0. Lamb: English smell, new seeon 80.0 to 90.0. Imported frozen: NZ PL 61.5 to 62.0, PM 59.6 to 60.0. Hoggets: English 48.0 to 70.0. Pork: English, under 100 lb 42.0 to 48.0, 100-120 lb 40.0 to 47.0, 120-160 lb 38.0 to 48.0.

CRIVENT GARRIEN-Prices in sterling per package except where otherwise exted imported Produce: Branges—Spenia: Vernas 4.00-4.50 Sloods 3.30-3.80 Jeffe: Velencia Lates 50-189e 4.40-S.60; Egyptien: Volencie Lates 75/125e 9 00-3.30 Moroccan: 64/113e 4.10-4.60: Cyprior: Velencis Letes 3.00-4.00. Ortaniques—Jemcicen: 54/126s 5.00-6.00. Lemons—Italien: 100/150s 4.50-4.65; Spanie: trays 25/45s 1.80-3.40. Coset: each 12s 0.40-0,70, 6s 1.00-1.10;

**AMERICAN MARKETS** NEW YNRK, April 29. July 36.25-36.15 (36.37), Aug. 35.55-PROFIT TAKING and overnight support 35.75, Oct. 36.20-36.10, Occ. 38.95, Feb. lor gold pushed the market moderarely 41.65. April 41.40-41.10. June 44.50. higher. Silver was generally lower, coming into line with the cash merket. Early weekness in copper was tollowed by a moderate rally end geins. Sugar by e moderate rally end geins. Suger wee up the limit on eggressive buying. Preducer selling in coffee preduced losses across the board. Cotton was supported by trade buying and closed higher. Cocca found support on ehort-covering and tochnical buying. Malze closed mixed, while wheat and soysbans closed with major losses, reported Heinold.

raported Heinold.
Copper—May 89.50-89.60 (88.40).
June 90.60 (89.90). Juty 21.80-92.00.
Sept. 93.90-94.30. Oec. 96.80. Jen.
98.10, March 99.90. May 101.70. July
103.30, Sept. 104.90, Oec. 107.30, Jen.
108.10. March 109.70. Potatoas (round whites)—May 46.9-47.0 (47.1), Nov. 72.2-72.5 (73.9). Sales: 559. Salas: 559.

\*Silver—May 1365,0-1375.0 (1365.0),
June 1381.0 (1408.0), July 1395.01400.0, Sap1. 1435.0-1440.0, Oec. 1486.0,
Jen. 1503.0, March 1536.0, May 1569.0,
July 1602.0, Sept. 1635.0, Inc. 1686.0,
Jen. 1702.0, Merch 1734.0, Selas:
S,000, Hendy and Harman bullion apot
1369.00 (1365.00),
Sugar—No. 11: May 23.85-24.20
(23.04), July 24.98 (23.93), Sept. 25.72,
Inc. 26.17, Jan. 26.50-26.59, Merch
27.59, May 27.59, July 27.80, Sapt.
27.90,

Tin-800.00-810.00 seked (802.00-829.00).

CHICAGO, April 29.
Lard—Chicago loose 13.25 (19.50):
New York prime staem 18.75 (20.00).
Live Cattle—June 85.90-65.60 (56.40),
Aug. 84.80-64.80 (55.50), Oct. 63.1063.25, Oec. 63.80-63.80, Jan. 84.10, Fab.
64.50-64.55, April —...
Live Hoge—June 34.90-35.00 (35.22),

187.0, July 201.5-203.0
Soyabean Oii — May 19.87-19.80 (20.11), July 20.36-20.33 (20.78), Aug. 20.63-20.60, Sept. 20.90-20.65, Oct. 21.15, Occ. 21.65-21.80, Jen. 21.70, March 22.15, May 22.45, July 22.90, 1Wheat—May 383-384 (387-2), Joly 395-395 (3984), Sept. 411-4104, Oac. 4287-428, March 441, May 447-2, May May 283-384, March 441, May 447-2, May 44 WINNIPEG, April 29. §Barley—May 109.80 (110.80), July 112.20 (113.40), Oct. 112.80, Dec. 113.00, Merch 113.10. 

# **EUROPEAN MARKETS** Soyameel—44 per cent, pretain U.2. afloat \$234.90. April \$226.50. May \$223. June \$244. July \$227. Nov. March \$243. Brazil Pelleta afloat \$234.50 traded, officet \$234.50. May \$232. June \$230.50. July \$231. Aug. \$235. Sapt. \$238. Nov. March \$253 collers. PARIS. April 29. Cocoa (FFr per 100 kilos)—May 1150-1200. July 1230. Sept. \$230-1238. Oec. 1246-1255. March 1270-1290. May 1280. Salas at call 0. Suger (FFr per 100 kilos)—July 2390-2440. Aug. 2485-2488. Oct. 2543-2544. Nov. 2530. Oec. 2600-2530. March 2680-2700. May 2720-2760. July 2730. Seles at call 5. ROTTEROAM, April 29.

ROTTEROAM, April 29.
Wheat—U.S. No. 2 Rad Winter Juna
\$177, July \$175, Aug. \$180. U.S. No. 2
Northem Spring, 14 per cant, May
\$189.50, June \$189.50, July \$190.50,
Aug. \$192.75, Sapt. \$194, Oct. \$107,
Nov. \$203, Osc. \$207. Rest unquoted.
Maize—Afcet \$135, May \$132 sallerc,
\$131 buyers, Juna \$135.75, July-Sept.
\$140.50, Oct. Osc. \$145.50, Jan.-March
\$135, Sapt. \$145.50, Jan.-March
\$135, Sapt. \$145.50, Jan.-March

FINANCIAL TIMES pr. 28 Apr. 25 Minth ago. Year ago 277,79 282,88 284,47 275,26 (Bass: July 1, 1952-100)

WOODY'S or.25 Apr. 24 Minth ago; year ago 1136,91196.6 | 1104.9 | 1054.1 (December 31, 1831 = 100)

REUTERS Apr. 29 Apr. 28 Minth ago Year ago 1678.2 1882.9 1709 1666.5 (Base: September 18, 1931 - 100)

S. Alrican: 6/9s 2.60-3.00 Ranana

DOW JONES

Spot ...422,99 416,50 419,35 597,03 Ftur e455,91 428,18422,52 390.50

(Average 1924-25-26-100)

April April Month Year 25 24 ago ago

boxes 4.50-5.50; Calilomian: 99/165s 6.00-6.30; Outspen: 80/135s 5.80-6.20. Grapefruit—Cypriot: 20 kg 4.00-5.40; Jeffe: lerge boxes 32/88s 4.15:S.05. Apples—Argenims: Red Oalicious 150s Apples—Argentinis: Act Control State
3.40; New Zeeland: Cox's Oranga Pippins 9.20-9.60; Chilean: Granny Smith
lergs boxes 125/150s 7.80-9.00; S.
African: Golden Oslictoue 7.05-7.50.
Southing 7.80-7.00 Whyra Winners 150/ African: Golden Oslicioue 7.05-7.50. Starking 7.30-7.50. Whrte Winters 150/180s 7.20-7.60. Granny Smith 2.50-8.80; French: Golden Oslicious, bexes 40 lb 138/175s 4.00-4.60. 20 lb 2.00-2.40. Itelian: Jonathen 0.03% Romes 0.12. Pears—S. African: approx. 34 lb Seurre Bosc 5.30-5.50. Packham's 6.50-7.60. Italian: Passacreseane 12 lb 1.50-1.80, 12 lb 2.00-2.30. Granes—S. African: 1a ib 2.00-2.30. Grapes-Barilinka 3.80. Golden Hill 7.00. Strawperties—per punnet; Cellfomien: 0.80: Spenish: 0.25-0.30; Italien; 0.25-0.30; Portuguese: 0.26-0.30. Avocados—S. Airican: 3.80-4,20.

Jamaican: 28 lb per pound 0.17. Toma-toes—Camary: 3.60-4.50; Dutch: 5.60-6.30; Jersey: per pound 0.40-0.45 Onlons—Canadien: 50 lb 4.50; 9 African: 5.00; Chilean: 4.50-4.60; Tas-Arrican: 5.00: Chilean: 4.50-4.60; Taşmanian: 20 kg S.00: New Sourth Wellea:
44 lb 4.40. Cuctimbers—Gutch: 2.302.40. Celery—Isreoli: 20/28s 3.80;
Spanish: 18/38s 4.50-5.00; Florida: 30s
S.00. Chicory—Belgian: 5 lb 1.80.
Potatoes—Egyptian: King Edwards 4.004.20; Canery: 5.00; Cypnot: New crap
20 kg 4.40; Jersey: per pound 0.75;
Italian: 55 lb 5.50. Carrois—Outch:
10 kg 3.40-3.50; American: pre-pack
48 x 1 lb 7.20. Capsicums—Canery:
6 kilos 2.80-3.00. English Produce: Potatogi 2.30-2.60. Mushrooms—ner

2.30-2.60. Mushrooms—pas pound 0.50-0.80. Apples—per pound Bremley 0.11-0-19. Cox'e "Immge Pippin 0.13-0.20, Laxtone 0.10-0.12. Pears—per pound Conference 0.11-0.17.

FINANCIAL TIMES STOCK INDICES

66.74 66.22 65.61 66.48 66.80 66.65 86,62 66,41 56,48 57,11 67,13 67,25 77,15 455 7 482.1 487.5 464 8 485.8 464.3 531.0

8.07 8.15 8.23 8.09 8.07 8.10

18 275 16 665 19 011 17,701 17,038 16,748

296.4 304.8 526.8 502.1 292.4 287.2 152.5

19.71 10.87 20.06 19.89 19.85 19.90 14.50 6.16 6.11 8.06 6.11 6.13 6.11 8.84

# Lower interest rate hopes ensure extension of rally which leaves long Gilts with two-day gains of over £2

New time dealings may take alled a penny to 66p in front of place from 2 am two business days preliminary statements due

Chancellor's indication that a reduction in interest rates is a main priority of UK economic policy ensured an extension yesterday of Monday's recovery in London stock markets. And the firmness, again initiated by Gilt-edged securitiea, was underpinned by Sir Geoffrey's comments yesterday about hopeful money supply

Other factors he)ping sentiment included the stability of Wall Street in the face of last Friday's misadventure in Iran and the NUR acceptance of British Rail's new wage offer. All main investment sections, however, remained sensitive to news items concerning the Middle East and proved the point yesterday hy reacting tem-porarily on reports of an Iranian plane coming under attack from U.S. fighters. The incident was denied by American aources.

Once again, British Funds were the main beneficiaries of renewed foreign investment, although the volume was less than on Monday, with domestic institutions more reserved. Business tended to be confined to the morning session, but quotations held most of their extended Monday's rises of £14 by a further point in places. The shorts were just as impressive and displayed gains stretching to for two-day rises ranging to

Early institutional inquiries and increased activity on the hid scene, the latter featured by Unigate's conditional offer for Clifford's Dairies, stimulater an expansion of husiness in tha equity sectors. Companies with UK onshore oil exploration and North Sea oil Interests attracted considerable speculation which Grant Bros. firm resulted in the former staging useful improvements. Leading shares again took heart from the Gilt market's strength and settled to close near the day's best as measured by a gain of 4.6 to 436.7 In the FT 30-share index which, at 11 am, had shown a rise of 5.1.

The volume of business in Traded Options again left much to be desired. Only 365 deals were completed compared with the previous day's 346.

EQUITY GROUPS & SUB-SECTIONS

es in parentheses show

CAPITAL GOODS(172)

Electricals (16) ....

(DURABLE) (49)\_

Building Materials (28)

Mechanical Engineering (74).

Metals and Metal Forming(16).

LL Electronics, Radio, TV(14). Household Goods (14).....

Viotors and Distributors (21).

Entertainment, Catering (17)-

CONSUMER COORS

(NON-DURABLE) (173)

Food Manufacturers (21)...

Packaging and Paper (15) ...

Chemicals (16) Pharmaceutical Products (7)

INDUSTRIAL GROUP (492)

FINANCIAL GROUP (718).

Discount Houses (LD).

Hire Purchase (5)..... Insurance (Life) (10)

Merchant Banks (14).

Mining Finance (4)...

Overseas Traders (19)

Property (45) ...

Under 5 years

Insurance (Composite) (9) Insurance Brokers (10).....

eous (9).

FIXED INTEREST PRICE INDICES

107 59

106.87

110.64

124,24

+041

+0.52

+0.92

+1.24

+0.73

15 20-yr. Red. Deb & Loans (15) 50.18 114.74 50.15 50.09 49.85

Food Retailing(13) ....

Toys and Games(5).... OTHER GROUPS(98)

Office Equipment (6) .... hipping (10) ....

Textiles(24).

51 Oils (8) ....

Banks(6)...

stocks per section

counts mirrored the firmness of First Declara- Last Account gilts. Alexanders put on 5 to Dealings tions Dealings Day
Apr. 14 Apr. 24 Apr. 25 May 6
Apr. 28 May 8 May 9 May 19
May 12 May 28 May 30 June 9
2 New that ' Assister may take Hambros continued

> 6 afresh to 383p on renewed investment support. Quietly firm . conditions pre-vailed in Insurances where closing improvements ranged to 8. General Accident, 248p. Royals, 328p, Sun Alliance, 582p, all ended that much higher.
>
> Eagle Star put on 7 to 184p.
>
> Breweries were inclined

firmly in merchant hanks, rising

harder in extremely trading. Elsewhere, Luis Gordon advanced to 5Sp in response to the good annual results before ng on profit-taking to settle

at 56p for a rise of 2.

Leading Building issues eucountered fresh support. Blue Circle rose 10 to 322p and Tarmac 11 to 2390. after 241p, the latter following annual profits that exceeded market estimates. Support was forthcoming for Taylor Woodrow and Redland . which added 5 aplece to 359p and 172p respec-tively. Costain Improved 4 to annual results today, also added 4 to 101p. In the Timber sector, recent speculative favourites Mallinson-Denny and Montague L. Meyer came on offer following adverse Press comment; the former eased 2 to 69p, but the latter, after slipping to 98p. railied on late buying to close a couple of pence hetter on balance at 103p. Elsewhere. Boberts Adlard firmed 6 to 128p in response to good annual results. Manders put on 6 for a two-day gain of 13 to 156p on speculativa Interest, while Roberoid, a subdued market since the results, revived with a

gain of 4 to 56p.
ICI touched 364p reverting to the overnight level of 362p in 'thin trading, hut Fisons firmed 5 to 284p.

speculative support shown for selective stocks. Grant Bros, were favoured at 93p, up 11, while Elys (Wimbledon) rose 13 to 155p and Owen Owen added 5 to 132p. Mess Bros. advanced 10 to 260p and Grattan Warehouses rallied 4 to 66p. Harris Queensway rose 7 to 192p on the laneous industrials, news that the company's bld for plummeted from an

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries

and the Faculty of Actuaries

Tues., April 29, 1980

18.48

27.07 13.40

23.15

21.39

21.06

11.74 28.12

16.40 17.96

20.75

24.59

14.31

29.53

29.31 46.99

20.95

19.55

45.27 .

14.26

13.14

nd adj. 1980 to date

3,45

3.97

451

6.08

3.95

Investment Trust Prefs. (15) 47.62 14.17 47.62 47.63 47.81 47.81 47.81 47.87

t Redemption yield. Highs and lows moord bees dates and values and constituent changes are published in Seturday issues. A list of the constituents is sustable from the Publishers, the Financial Times, Bracken House, Canson Street, London, ECAP 4BY, price 15p, by post 25p.

Coml and Indl. Prefs. (20) | 61.64 | 14.87 | 61,51 | 61,51 | 61,78 | 61,72 | 31,78

+11

+0.8

+1.9

+0.6

+0.5

+13

+0.7 +0.2

+11

+0.5

+0.9

+0.8

+0.8 +0.3

+0.8

+0.2

+0.8

+0.9

+0,1

247.59 +0.9

+0.4 +0.9 -0.2 +2.4 +0.6 16.47

237 67

352.00

620.70

283.55

158.29

164.08

310.95 105.12

269.99 303.30

290.20 189.22

292.28 397.10

212.72

198.66 32.00

295.60

188.60 109.26

216.15

202.81 178.46

127.32 296.88

101.97

210.98 187.01

Gross Div. Yield % (ACT at 30%)

6.73 6.85 7.01 4.07

9.14

2.29

5.94

10.56

6.51 6.16

4,93 7,63

8.93 5.48 12.65

11.65

15.86

7.42 8.11 7.10 7.51 7.03

7.12

4.90 7.14

8.45 6.90 6.12 2.75

6.26 5.28 7.12

Coupons

6.76 7.25 4.50 9.73 5.67 5.72 5.75

10.89 4.20 5.14

6.40 7.16 6.86 6.29 5.66 8.75 5.46 4.97 9.12 4.22 3.87 2.62 6.75 5.46 9.12 5.90

10.25 7.28

8.50

42.49

8.52 9.32

British Govt. Av. Gross Red.

15 years. 25 years...

15 years.

Thurs. Wed. April April 24 25

223.64 +0.9 18.29 7.06 6.67 221.70 219.48 222.91 224.37 262.30 717.02 +1.0 32.11 7.19 3.44 710.11 691.66 700.75 714.88 685.48

262.75 +0.9 21.13 .7.08 5.59 260.42 257.15 260.85 263.28 296.77

2.71 214.49

late, took a distinct turn for following details of the group's the better in the late dealings at offer for Eastern Tractors and 298p, up 6, following news that eased further to close at 454p, the company is to withdraw from J. Bibby rose 6 to 170p on specuharder, gains of 2 being marked Tiger Oats, owners of a 30 per against GEC, 372p; Pleasey, 141p, cent stake in the former, had and Racal, 239p. Among second been suspended, but Tiger Oats and Bacal, 239p. Among second-ary issues. Energy Services resumed and closed 10 higher advanced 21 to 254p on the in-st 600p following the announcecreased dividend and profits ment that the group are in-while, still reflecting Press men-voived in discussions with tion, Chloride hardened another 2 to 54p.

Interest in the Engineering laders continued at a low ebb, food and related industries. but the trend was again to slightly higher levels. Vickers edged up 4 to 124p and Tubes 2 Elsewhere. Simon Engineering featured with a rise

Thorn EMI, a poor market of resumed in George Ewer at 47p the medical electronics field fative buying fuelled by the Other Electrical leaders trended announcement that dealings in Imperial Cold Storage with 8 view to restructuring the South African Mutual Life Assurance

> Speculative support was forthcoming for Provincial Laungries which closed 24 to the good at 43p and the 12 per cent Con-

next month, rose 7 to 154p, while

improvements of around 4 were

480p, Hepworth Ceramic, 105ip, and ICL, 134p. Up 18 the previous day on Press comment. European Ferries hardened a penny more to 122p and

Esperanza Trade and Transport

added 5 to 130p, after 125p. The leaders gaev a firm performance

as renewed having interest found

stock in short supply. Bowater put on 3 to 178p, after 182p, following comment on the chair-

about the group's Zimbarve

Agency

operations.

Management

Society's major interests in the

of 10 to 244p following favour- vertible 1986-88, 30 up at 430p. Chemicals F.T.-Actuaries Index

able comment on the annua) Hays Whart, interim results due results. Serck, on the other hand, shed 4 to 52p, after the previous day's gain of 5 on a flurry of

buying interest. Clifford's Dairies jumped 24 to 116p, after 120p, and the A 22 to 102p, after 110p, on the un-welcome bld from Unigate, unfocal points in Stores yesterday with a considerable amount of 4 to 80p and United Riscout Resource of the changed at 114p. Eisewhera in Foods, Associated Biscuit firmed with a considerable amount of 4 to 80p and United Riscout firmed to 74p. added a penny for a two-day rise of 7 to 117p in response to the excellent annual results.

### Petrocon fall

man's optimistic statement.
Turner and Newall rose 4 to
111p, after 112p, reflecting bopes Secondary issues provided numerous features in miscel-Petrocon plummeted from an intial firm Bank of Scotland np

Reflecting the Governor's confident statement, Bank of of Fraser added 3 to 140p, while dividend. Alpine lost 5 further has been level of 27p to close 7½ down on balance at 17½ following the latter cheapened 3 to 220p. Still sharp setback in annual earnings and omission of the final levels. Among Television less and omission of the final lessues, LWT A came in for support and firmed 5 to 115p.

April 24

234.97 234.50 351.83

620.59

158.00

313.44 105.67

267.06 301.67 287.04 190.81

290.95 410.95

711.58

199.58 33.47

198.44 294.44

128.28 109.15

239.53

 209.25
 219.08
 212.91
 213.95
 245.45

 185.38
 189.31
 184.02
 185.57
 141.34

 380.94
 377.86
 383.52
 383.32
 367.56

- 245.39 242.76 245.98 247.84 273.59

12.53

12,42

12.42

14.27

13.88

14.34

14.32 14.29

Mon-April 21

31,48

Tues April 22

347.02 605.34

277.1A

125.94

307.11 103.74

211.85

264.14 264.11 302.55 297.92 287.09 282.99

287.09 282.99 188.29 188.73

290.84 288.69 397.66 403.14

129,78 128,95 218,76 208,81

197.10 195.02 32.21 32.78 198.30 195.24 294.78 289.67

181.19 185.11 187.72 105.63 488.24 460.23 238.61 236.89

214.49 212.45 227.12 226.87

124.29 122.48 124.54 295.08 288.83 297.71

101,95

383.01

.8.02 200.97 197.95 178.87 176.62

101.78 392.06

Mort, April .28

235 14

231.43

349.22 614.49

278.18

157.36

306.27 103.86

212.74

Wed., April 23

234.28 353.68 625.78

159.82

163,46

Year ago (approx.)

lixlex No.

251.14 427.99 667.52 42053 204.62

342.46 176.83

361.05 229.66

313.12 472.62

151.30 257.43

272.69

226.T3 317.82

590

268.00 285.57 303.28 335.05

290.64 191.85

302.29 415.43

130.11 213.33

203.56

33.32

295.95

214.06 214.62 252.93 232.54 232.54 265.14

Mon., April 28

12,54

12.54

14.45

14,15

14,00

14,52

34,47

14.42

47.67

31,3B

1816

10.77

11.66

11,15

11.85

11.92

51.46

75,24

188.66 268.72 109.66 147.83

241.75 | 258.36

200.97 195.63 180.30 175.07

124.61 151.55 298.88 326.34

Wilson Brothers jumped 13 to

34p, after 35p, on the agreed takeover bid from rival greetings card concern Fine Art Developments, 3 cheaper at 55ip. Elsewhere in Paper/Printings, Burnzl eased 2 to a 1980 low of 97p on disappointing annual results. In Newspapers, International Thomson put on 35 to 4100 reflecting the company's North Sea oil interests.

Properties displayed fresh firmness on hopes that domestic interest rates would soon fall. Gains in the leaders, however, were not of the previous day's magnitude and closing fevels were usually a penny or so below the best. Secondary issues mostly retzined early rises with London and Provincial Shop Centres 10 to the good at 352p and Property Partnership 15 higher at 193p, the latter in a thin market Allied London

### Secondary Oils up

added 6 to 115p.

Activity in the Oil sector again centred chiefly on secondary issues. The Humbly Grove drilling report stimulated buy-ing interest in Carless Capel which advanced to 119p before settling at 117p for a rise of 15, while Candecca, which has in-terests in the same area, were also bought and closed 10 higher at 120p. Clyde Petroleum ended 23 higher at 425p after news of the proposed £4.5m rights issues. Gains of 10 were recorded in Attock, 226p, CCP North Sea. 265p, and Cambridge, 280p. IC advanced 26 further to 792p, while late support lifted Premier

8 to 84p.

James Finlay stood out in
Overseas Traders with a rise of 6 to 88p, while Australian Agri-cultural added 41 to 102p. Shippings encountered selective support. Ocean Transport gained 5 more to 115p, while P and O Deferred bardened a

penny further to 1220 ahead of next week's preliminary results. Grain were helped by the Humbly Grove drilling report and rose a point to £14. Movements in the Textile sec tor were limited to a few pence either way. Sporadic support lifted Sirdar 3 to 80p, while Youghal Carpets firmed 2 to 13

### on news of the fresh capital injection. Golds down again

Apar from a minor flurry of speculative buying interest around lunchtime, the mining market endured another day of low turnover and lack of interest as the builton price dipped \$7 more to \$518.50 an nance.
The market got off to a slow start and prices tended to draft

### ACTIVE STOCKS Denomina- of Closing Change 1980 1980

Stock	tion	marks	price (p)	on day	high	low
Carless Capel	10p	11	117	+15	119	75
Ultramar	25p	11	628	+12	628	412
Rugby Portland						
Cement 'New'	NU	pd. 10	15pm	+ 1	15pm	13pm
Ocean Transport	25p	9	115	+ 5	115	86
Premier Cons	5p	9	84	+ 6	87	391
Imp. Cont Gas	£1	8	792	+26	792	593
BP	25p	7	332	+ 2	412	320
Shell Transport	25p	7	346	+ 4	410	314
Tricentrol	25p	7	334 .	- 4	338	250
BAT Inds	25p	6	227	+ 1	271	223
BTR	25p	6	374	+ 3	374 .	278
Bass	25p	8	230	+ 2	231	188
Blue Circle	£1	6	322	+10	322	238
D & O Dofd	£1	6	199	4 1	1231	105

### **OPTIONS**

national

Thomson,

Loraine, Bank and Commercial, Burmah Oil, Pacific Copper,

Wm. Press, Lasmo, Allebone

Tenens, Rush and Tompkins and

International. Howard

DEALING DATES First Last L25t For Deal- Deal-Declara- Settleing ing tion ment

Apr. 21 May 3 Jul. 24 Aug. 4 May 6 May 16 Aug. 7 Aug. 18 May 19 Jun. 6 Ang. 28 Sept. 8 For rate indications see end of Share Information Service. Stocks to attract money for

Charterhall. A put was arranged in Archimedes Capital, while donble options were transacted in Loraine, Tricentrol, Silver mines, Clifford Dairies "A" the call included Lourho, Ladbroke Warrants, Rush and Courtanles, Premeir. BP, Inter-Tompkins and Premier.

**EQUITIES** 

### RECENT ISSUES

Pald Up	Miah	Low	Stock	Olosing Price pt	+ or	Div. P.	Times	Yeld	Ratio.
	16/6, 95	88	Ametred Cons. Elect.	90	+2	bd 5,8	3.0	5,2	7,a
F.P. F. <b>P</b> .		135	Hemardon Mining loc Lon, Mer. Secs. Refd	27	48	_		=	=
F.P.	- 101	1 24	Morfey (R.N.) 10p)	99		b4.75	1.3	3.9	16.9
F.P., F.P.,	615 105	10	TratofProp.Shre.5p.	10	+ 1	1.25	4.7	4.0	5.4
ED.	27.5' 22	. 19	Ward Hidgs Dff	. 20	1 le	_		_	

### FIXED INTEREST STOCKS

May Fom Hay Fom 1880	Stock	Ofoeting Pride £	+ or
## 2/9 112 104   ## F.P. 50/510312 9512   ## F.P. 95106  1004   ## F.P. 39/5 9513 9312   ## F.P. 30/51004  1004   1 Nil - 5pm 3pm   ## F.P. 2/6 82 81	Edwards (L.C.) 8% Conv. Red. Cum. Pref Globe Inv Tst 11;% Conv Uns Ln 90-96 Imp. Cont. Cas 8% Conv. Loan. 1985-2000. Leigh Interests 10pc Conv. Une Ln. 1986-2000. Mid Kent Water 9% Red Pref. 1985 Mid Sauthern 10% Red Pref. 1985 North Brit. Props. 94% Cov. Uns. Ln. 1986 North Brit. Props. 94% Cov. Uns. Ln. 1986 Sutton District Water 10po Red Pref. 1983	1051g 1031g 104 941g 10014 5pm	+12

### "RIGHTS" OFFERS

Issue Price Price Pt VA B		1990		Stock	100 to	+ or		
		High ! Low		95.0	1_1			
135	F.P.	21/3	: 2,5			AGB Research,	165	+1
	F.P.	1,5	12/6	340 350m	883 20nm	Brent Chemicals	332 94pm	+4
50 87	NII	115		2pm	Ipm	First Castle Secs	gow	+1
30 48	F.P	5/1	24/1 23/5	256 65		Hemmerson Prop. A	850 60	+6
60ats		2074	49[3	435 pm	190pm	Pancontinental	235pm	<b>—16</b>
54	Nil	[ -	-	15pm	13pm	Rugby Portland Cement	15pm 128pm	+1
180 68	Nil F.P.	( =	13/6	73	68 -	United Biscuits	73	JŦî I
110		23/4	13/6	135	123	Watmoughs	135	

Renunciation data usually last day for dealing free of stemp duty. b Figures based on prospectus astimate, g Assumed dividend end yield. b Forecast dividend: caver based on provious year's earnings. F Dividend and yield based on prospectue or other official estimates for 1979. Q Gross. T Figures assumed. I Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Piscing price to public, pt Pence unless otherwise Indicated. I Issued by tender. § Officed to holders of ordinery shares as a rights." \*\* Issued by way of capitalisation. §§ Reintroduced. If Issued in connection with reorganisation, merger or takeover. [[i] Introduction. [] Issued former preference holders. § Allotment latters (or fully-paid). • Provisional or partly-paid allotment latters. \* With warrants. If Uniteted security. It issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

an Iranian aircraft over the Gulf of Oman encouraged a short burst of speculative buying, but

Australians lack a decided trend. North Broken Hill advanced 5 to 147p following the sharply increased third quarter

aritish Funds Corpns, Dom. & Foreign Bonds

the demand was only short-lived as a denial from the Americans immediately encouraged profit-

Financials generally gave ground with the notable excep-tions of London issues with North

profits but MIM Holdings gave up a similar amount to 197p despite a strong advance in earn-ings in the 40 weeks to April 8. well supported and added i more to £22. Diamond exploration

Gussies A. 388p, and W. H. to 93p following the Board's Among Motor Distributors, lower in idle tracing. Around Smith A. 142p, improved 4 warning Suspended at 49p last Pennine put on a penny to 7p mid-day, however, reports that apiece.

Wednesday, dealings were as bid hopes revived.

U.S. fighter planes had fired apon

Consequently, prices ended the day showing further losses and the Gold Mines index gave up 84 for a two-day decline of 30.4

Sea oil and gas interests. Among the latter, Rio Tinto Zinc put on 5 to 370p and Selection Trust 6 to 604p. Tanks edged up to 264p but met lats selling and closed a net 2 cheaper at 250p. South Africans registered widespread, although usually modest losses. General Mining dropped 30 to 680p, Gold Fields of South Africa 7 and De Beers the last-named ahead of the annual report and chairman's statement, 12 to 378p, after 372p.

69.01 (21/1) 377.a (28/2)

YESTERDAY

LONDON TRADED OPTIONS

issues provided a feature in Leichardt Exploration which jumped 25 to 220p, after 230p, following speculative buying in-

Equity turnover £m \_\_\_\_\_\_ 13.29 101.65 98.14 98.43 75.91 123.54 Equity bergains total \_\_\_\_\_\_\_ 11.631 14.641 13.322 12.711 11.533 24.689 r10 am 434.6. 11 am 437.2. Noon 436.8. 1 pm 436.3. 2 om 438.2 3 pm 436.3. Latest Index 01-246 8026. NI 5.774 Beals 100 Govt. Becs. 15/10/26. Fixed Int. 1928. Industrial Ord 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. HIGHS AND LOWS S.E. ACTIVITY Since Compliat

150.4 50.53° (22)11/47) (3/1/25)

558.6 49.4 (4/6/79) (26/6/40)

**NEW HIGHS AND** LOWS FOR 1980

Industrial

Earnings, Yld, % (full)

P/E Ratio (net) ("). .

Total bargains ....

6.16

Gold Mines.

RISES AND FALLS

468 7,234

351p

·132p

3510

217

Vol.

406.9 (5/1)

265.E

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R.T. left. Usy.) Fd. Tst. 156.0 256
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Fixed Int. April 16. 121.46
Prop. Fd. April 16. 35.81.

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Financial Times Wednesday April 30 1000 INDUSTRIALS—Continued INSURANCE—Continued **PROPERTY—Continued** INVESTMENT TRUSTS—Cont. LAND—Continued | Coll | File | Price + or Sir. | Thi | Cwi Sch | PK | Sept | Low | Stock | Common | C 16/11/20 23/10/17/0 17/136/63 - 55/0 31/51/79 936/69/54 11/47/267 - 80 - 11/10/9 78 Heath (C.E.) 20p.
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Legal & General .
Lon. & Marn. 5p
Lenten United 20p.
Maran (Chris) 20p.
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HCS & di Acreset
HCS & di Australian LEISURE Angila TV 'A'
Assoc. Leisure 5p
Assoc. Leisure 5p
Barr & W.A.T. 'A',
Black Edgis, 50p,
Boosey & Hawkes
Campari Imt. 20p,
Coral Leis, 10p
Fairline Boats 10p
Gargum Parlian Ibp.
Grampian' 'A' 10p
HTV Non/Vis...
Hautey Leisure 5p
Horizen 5p
Hori 749 1753 1390 855 130 470 1436234 9821567 8868 884 544 246 | 1864 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | -2.6 | Storth Brst, Props.,
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Ragian Prop. Sec.
Regailan Prop.
Do. 'A'
Regailan Prop.
Do. 'A'
Samuel Props.
Sout Metrop. 20p,
Second City 10p
Sicush Ests
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Trafford Park
UK, Property
Utd. Real Prop.
Warner Estate.
Warnford Inv. 20p
Wereldbure DF120
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Nith Ralgaril ...
Pacific Copper ... 107.5c -1 MOTORS, AIRCRAFT TRADES SHIPPING **Motors and Cycles** Brit. & Com. 50p. | 2811 Common Brus. 50p | 290 Fisher (J) | 305 Furness Withy £1 | 410 Hunting Gibson. | 85 Jacobs (J. 1.) 20p | 33 Lyie Shipping. | 215 Man. Liners 2p. | 215 Mar. Etners 2p. | 215 Mar. Etners 2p. | 215 Mersey Dk. Units. | 10<sup>2</sup> Milliord Docist 21 | 120 Ocean Transport. | 115 P. & O. 0eff. £1. | 122 Reardon Sin. 50p | 90 Do. "A" 50p. | 70 Runcintan (W.). | 103 276 280 235 236 70 321 263 293 210 120 86 105 87 61 88 14845601585145755N9585495555558588 **OVERSEAS TRADERS** Grevor
Gald & Base 129p
Gopens Cons.
Honglong
Idris 10p
Jaman 129p 13.4 9.8 6.1 1.7 1 9.61 - 10.7 -2 - 7.25 4.8 5.7 4.6 1.97 • 11.5 • African Lakes \_\_ Assam Trad, 8 £1 Aust. Agric. 50c Bertsford (S. & W.)\_ Exchant (Th.) 5p Boustead (10p) Finlay (James). Gill & Duffus ... Gt. Nithn. £10 ... H'ris'ns. Cros. £1 2 Hoffdamg (S.) ... Inchcape £1 ... Jacks Wm ... Jamaica Sugar ... Lonrho ... Mischell Cotts... Nesso Invests ... Ocean Wisns. 20p Pet'soc. Zoch. 10p Do. 'A' NV 10p Sime Berby M\$0.5 Steel Bros. ... Tozer Kems. 20p. ... 20p. 8pc Ln. \*81. U. Gity Merc. 10p Do. 10pc Ln. 16p. Do. 10pc Ln. 16p. Lentor 129-p
Kamusting SM0.5
Külünghzil SM1.
Mekry Credging SM
Patharg
Pengkalen 10:p
Petating SM1.
Saint Piran.
South Crofty 10:p
South Crofty 10:p
South Crofty 10:p
South Malayan SM1.
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Booth (Intert)

Footwear Invs.

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Hithors 20p

Hearlam, Sinas 5p.

Hearlam, Sinas 6p.

Hearlam, 24 48 48 48 48 71 70 46 51 21 51 48 75 206 82 74 42 42 16 40 40 40 40 40 40 40 41 49 49 47 58 55 140 47 58 55 140 235 [230 | Messina R0.50 \_\_\_ Garages and Distributors Garages a

(Adexns Gibton

Alexanders 10;

Appleyard Grp.

Arington Motor

BSG Int. 10p

Braid Group 50;

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Cowie (T.J 5p

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Hanger Invs. 10p

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Jessups

Jessups 78°2 | 58 | 12 330 325 321 16 21 425 Anglo-Dominion — Berymin— Burna Lines 171<sub>2</sub>0 Cors. Murch. 10c. Northgate C\$1 R.T.Z. Rabert Mines— Sabina Ires. C\$1. Tara Expin. \$1. RUBBERS AND SISALS 145 70 16 359 359 370 36 430 Anglo-Indones'n ...
Rariow Hidgs. 10p.
Bertam Cors. 10p
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Highlands MSO.C.
Kuala Kepong MS1.
HYKullun M5OC.
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Anglo Am. In. R1.
Barlow Rand R.10c.,
Gold Fids. P. 22c.
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S.A. Brews. 20c.
Triger Oats R1...
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1 Interior since increased or resumed.

2 Interior since increased or resumed.

2 Interior since increased or resumed.

2 Interior since increased or deterred.

2 Interior since increased.

2 Interior since reduced, passed or deterred.

3 Indicated the county.

4 Price at time of subpension.

5 Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.

5 Merger bid or reorganization in progress.

5 Not comparable.

6 Same interior reduced final and/or reduced earnings indicated.

5 Porecast dividend; cover on earnings updated by latest interior statement.

1 Cover allows for conversion of shares not now sanking for dividends or randing only for restricted dividend.

2 Cover allows for conversion of shares not now sanking for dividends or randing only for restricted dividend.

5 Porecast dividend; tower on earnings updated by latest interior statement.

Cover allows for conversion of shares not now sanking for dividends at a future date. No P/E ratio issually provided.

2 Eachsing a final dividend declaration.

5 Regional price.

6 No par value.

6 Yield based on assumption Treasury Bill Rate stays unclanged until maturity of stock a Tax Iree. In Figures based on prospectus or other official estimate. C Cents. d Dividend rate paid or payable on part of capital; cover based on dividend and yield. In Rights taxe pending.

6 Fist yield. In Assumed dividend and yield. In Registration in Sper than pending and pending a pending as pending pending.

6 Fist yield. In Assumed dividend and yield asses pending.

7 Fist yield. In Assumed dividend and yield based on prespectus to previous dividend; previous di | 13.47 | 13.48 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.49 | 13.4 Butaner Linit. 20; Caird (Dundee). Carpets Int. 50; Carpe 361227214646487899749559654115351468325569115316582165542856211287779987777987619384259 MINES Central Rand

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1155-1912 | East Rand Prp. RI | 1113-15 | 0100c | 3.3 5.0 |
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# Gilts up on hopes of MLR cut

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Rate during the summer.

noted to a speech in Milton over 181 per cent at the Keynes that since October Kernes that since October there had been a marked slowing down in the rale of monetary expansion.

The underlying growth is back within the target range."

directed at "soft-liners." Sir Geoffrey said the Government could not let up on monetary policy just because things look

The more optimistic market view was reflected in rises of up to £1 yesterday in prices figures hefore considering a of long-dated gilts, after gains reduction.

Hunts fail

to answer

subpoena

MR. NELSON BUNKER HUNT

and his brother Mr. W. Herhert

losses when the silver market

collapsed last month, laid

theorselves open to possible penalties yesterday when they

failed to answer a subpoena to

attend a Congressional hearing.

been ordered to appear before

the House sub-committee on

Commerce, Consumer and Moneary affairs, which is

investigaling the Federal response to recent events in the

After the Hunts failed to

vote dunanimously to recom-

mend that a motion of contempt

of Congress should he suhmitted

to the House of Representatives.

before the House Committee on

Governmental Operations a week from today. If forwarded

to the full House, a vote could

be taken on the matter at

could be presented to a Grand

The Hunis could be charged

with an offence carrying a prison sentence of hetween one

and 12 months, in addition to

The contempt recommendation was made after Mr. Roger Guld-

burg, a lawyer for the Hunts.

said the brothers were prepared

to appear hefore the sub-com-

mittee, "but not al this time."

Hnnts mortgage property worth

Continued from Page 1

chaired the summit, said his

government would be making

However the general rejuct-

ance among the eight to take

the problem to another summit means that after the dust bas

settled EEC foreign ministers may try to carry on where their

fresh efforts to encourage a

**Ministers** 

husy schedule.

the issue.

fine of between \$100 and

Jury in ahout four weeks.

The motion will he brought

the sub-committee

silver market.

The Texan oll hillionaires had

PRICES of gilt-edged stocks of £11 on Monday. Unfavourrose sharply yesterday on hopes able interostional news has of a cut in Minimum Lending been shrugged off. This trend was reinforced

This follows Sir Geoffrey yesterday by a further fall in Howe's indication on Monday money market interest rates. that the main priority of Three-month interhank rateseconomic policy is a reduction a key influence on the interest in interest rates as soon as cost of part of the banks' deposits—yesterday slipped to Yesterday, the Chancellor 177 p er cent compared with

> The rate on local authority one year (yearling) bonds Blso feli by i to 15% per cent at resterday's weekly fixing.

and key advisers within the Treasury and the Bank of England are urging caution. It is likely that the authorities

money

There is particular uncertainy about the strength of demand for writes: The U.S. orime lending bank credit. The first indication rate continued its downward will be in the mid April banking progress yesterday, as interest figures which are due to be rates eased across a broad announced in a week's time.

Most market anaysts still do not expect even a small cut in for some time.

interest rates on Monday came during questioning by the Commons Treasury and Civil strong pound on industry.

objectives. He said the main way of will want to see another month's, relieving pressures on indus-and prohably two months', try's liquidity would he for the

without endangering the monetary target and inflation

Ian Hargreaves in New York

For the fourth successive day, the Federal Reserve Board MLR until at least June. Even if allowed its key federal funds MLR does fall then, a cut in rate to drift lower. Previously mortgage rates is highly unlikely the Fed had intervened when it reached 14 per cent, but at Sir Geoffrey's comment about one pniot yesterday the rate touched 131 per cent.

Another major New York bank, Chemical Bank, yesterday Service about the impact of the cut its prime lending rate to There are strong political He argued that the Govern-sticking at 19 or 19; per ceoup ment chuid not intervene to apparently expecting the downness uncertain. 181 per cent, but others are rates to be humpy.

Treasury bill rates continued at their lowest levels since Octobers Following the Fed's announcement on Monday of its prohably two months', try's liquidity would he for the first anti-inflationary pro-supply and banking Government "to move as gramme, three months bills hefore considering a quickly as It can to a lowering were auctioned at a discount of

# Wiggins Teape plan folds

BY RAY PERMAN, SCOTTISH CORRESPONDENT

between Wiggins Teape, the those made redundant by the paper group, and Consolidated decision.

Bathurst of Canada, oewsprint The newsprint venture was manufacturers, to build a £100m announced in February. The newsprint plant in the Scottish Highlands was abandoned yesterday.

The decision was made hecause of high UK timher prices and Insufficient Government assistance.

It means the closure of the Wiggios Teape pulp mill at Fort William, which has been unprofitable since it opeoed in 1966. Recently It has been losing £2m to £3m a year.

Consultants recommended building a newsprint plant and chaoging from chemical to mechanical pulping as the hest way of keeping the mill open-Mr. Patrick Best, Wiggins Teape chairman, told the 450

employees that the company had tried to find a solution, hut now helieved there was no alternative to closure in six

The neighbouring fine paper plant, with 900 employees. almost any time. Should Congress vote in favour of the motion, the contempt charge There is little all not affected and could be There is little alternative ing.

THE PLANNED joint venture employment in the area for

companies said they planned to install the largest machine in the UK able to produce 156,000 tonnes a year of internationally from home-grown timber, competitively-priced newsprint

Mr. Bill Turnerw, Con-solidated Bathurst president, said that since then business risks had been increased by growing uncertainty about the future relationship between sterling and the U.S. dollar, which affected American and Canadlan newsprint prices.
Other factors included the

cost of wood in Scotland. Although similarly priced to European and Scandinavian timher, it is twice as expensive as that produced in North America. There naturally regenerating forests do not bear

he cost of replanting.
Mr. Best said failure to reach agreement with UK timber supiers on wood costs had heen a bitter hlow. The financial package offered by the Government bad also been disappoinl-

The project qualified for regional development grant—to be reduced from 20 to 15 per cent from August 1-but more had been hoped for in discre-

tionary old. Mr. George Younger. Secre-tary for Scotland, said be accepted that, although the Goveroment was willing to offer maximum finaocial assistance, this was not sufficient to after the companies' judgment that the project was not com-mercially justified at present. He praised Wiggins Teape for trying to find afternative work for the pulp mill.

The Government would now make the provision of more jobs for the Highlands a

Forestry Commission said in the six months before closure it would try to find other companies to use the 250,000 tonnes of wood a year consumed by the mlil,

Kenneth Alexaoder. chairman of the Highlands and Islands Development Board, sald the decision was a terrible hlow to the Highlands. It would double unemployment in the Fort William area.

# Marples Ridgway quits Iran job

BY SIMON HENDERSON IN TEHRAN AND PATRICK COCKBURN IN LONDON

MARPLES RIDGWAY, the February, the company's chairof payment difficulties.

Mr. Goldburg said the Hunts The 180-mile road in the were subject to a number of inquiries from various Governremote south eastern provioce meot bodies and bad a very of Baluchistan was the largest British involvement in development project continuing the revolution Fehruary last year.

> But the project has been a thorn in the side of Bath and

civil engineering subidiary of man warned at its annual the Balh and Portland Group, general meeting that he had is pulling nut of its £105m road sent a letter to the Iranian building project in Iran hecause Ministry of Roads threatening to withdraw unless progress payments and arrears caose through. The ultimatum expired last week. Marples Ridgway's decision to pull out has nothing to do with the threat of EEC sanctions against Iran, though it "may speed up the process of scaling down."

the company said resterday. Work waa suspended in in 1975-79. Portland, since then. In January last year as progress

payments fell into arrears. Three months later they totalled £18m. Work restarted in July with the encouragement of the Iranian Government, but there have heen continual problems over payments. A few of the 25 Marples

Ridgway employees in Iran will remain there to look after equipment, the company said. Loss of earnings from Irna were largely responsible for a drop in Bath and Portland's pretax profits from £5.2m to £2.5m

Iran crisis, Page 4

Continued from Page 1

# Thatcher threat on EEC business

of £1.2bn ahould be erased. Richard Monney writes: Britiah Ministry of Agriculture

principals left off. Their meeting on Monday is expected to officials have calculated that the feature a general discussion on farm orice deal rejected io Brussels would have yielded a Mrs. Thatcher's readiness to oet heoefit of £25m to the UK employ blocking tactics on farm thia year. The 5 per cent price rise supprices and lamh may eventually force her budget demands on to

ported by all but Mr. Walker at the summit agenda if there is the farm council would have no oossibility to progress at a added about £500m to the total 1980 farm hudget, of which, caused it failed to recognise the ducts.

bad overplayed her band at the under existing arrangements, ned for a price freeze on orostart of her campaign by Britain would have had to pay ducts structurally in surplus. demanding that the total deficit about £90m. Extra returns such as dairy products, sugar from the Common Agricultural writes: Policy (CAP) would amount to griculture shout £30m, leaving a net deficit of £60m. That would bave been more than compensated for however by the continuation of the 30p a pound UK butter the Commission, subsidy, which the Commission have curtailed 4.1 estimated to he worth £85m.

The offer was unacceptable to

and wine. The proposals forward by the farm Ministers to the summit

would have raised all EEC farm prices by an extra 2.5 per cent above the levels proposed by That would have curtailed 4.1 per cent rises had olanned to scrao. That is for milk and sugar, increases that the British believe would have led to a dangerous in-Britain, the officials sald, be crease in surpluses of the pro-

Continued from Page 1

lower ministerial level.

the summit agenda if there is

# MacGregor accepts British Steel post

Government is also thought to the UK aince the Second World plnying 100,000. have insisted that he should War and because of his age. move his bome from Connecticutt to the UK.

MacGregor has been a stroog supporter of Sir Michael British Shipbuilders. Edwardes' firm live with the BL trades unioos.

He is a passionate believer in the manager's job of improving productivity and is expected to take a tongh line when deciding which parts of BSC are viable, especially on the basic

During long discussions with the Government during recent montha Mr. MacGregor, a friend of Sir Charles Villers, is helieved to have insisted that BSC is needed, in his view, if he should have maximum free- eveo some parts of the corporadom from Whitehall inter- tlon are to aurvive. ference in trying in make the industry efficient.

fore be controversial. There the Government and the cor-may also he criticism hecause poration last year—lam tonnes

Ideally the Government had

hoped to find someone in his causing BSC in an interview Known in business circles as mid-40s to become BSC chaireffective manager, Mr. man. A similar age-group was favoured for the chairman of

In both casea the successful candidates are io their mid-60s -the chairman of British Shipbuilders, who is to he announced next week, is Mr. Rohert Atkinsoo, 64.

Sir Charles Villiers lotends to tell the Covernment that a longterm Government plan for BSC should he devised to replace the system of control by annual cash limits. A new national plan for

Sir Charles has doubts whether the decline of BSC can His appointment could there be stemmed at the level set by

Sir Charles revealed the extent of the damage inflation is with the Financial Times. There was no hope, he said, of the corporation being able to raise steel prices geoerally in the next year io order to recoup some of ita rising costs. Trade waa so poor that higher prices would simply suck in imports.

Between September, 1979, and March, 1981, the direct effects of inflation and settlements are expected to add £210m to BSC's wages hill. £65m to the coal bill, £25m to the electricity bill, £50m to the iron ore hill, and

£100m in other charges. BSC has lost more than £450m in the past financial year. The actual losses following the strike in the last quarter are still heing calculated.

he has not worked full-time in annual production capacity em- during this financial year by

the big production and jnb cuts. However, iti s now clear to Sir Charles and his board that the Bords.

Corporation is in danger of Bristof runoing up a £450m deficit in Bristof arussels 1980-81, for the second year in succession.

BSC executives have been appalled by the latest market predictions. Consumption of steel in Britain is expected by BSC forecasts to fall by 17 per cent this year.

In 1979 British industry and stockists took 15.6m toones, This year, demand is not expected to exceed 13m tonnes. That dramatic fall is explained. in part, by the use during the atrike of steel stocks which are not being replaced. But it also points to a falling off in industrial activity.

Western European steel consumotion is expected to fall by The strategy has been to 6.7 per cent this year, and tolal world consumption to fail by 4 per cent

# press for interest rate cut

By John Elliott, Industrial Editor

THE CONFEDERATION of British Industry is likely tn put urgent pressure on the Government to bring down the level of interest rates during the next few weeks.

Industrialists are increas-ingly concerned about the decline in business activity worsening corporate liquidity. These

problems underlined yesterday by the CBI's latest quarterly trends survey. This showed that 70 per cent of manufacturing industry is working below capacity and that employment levels are dropping sharply.

The situation was discussed resterday afternoon by the CBI's economic policy commit-tee. At meeting may be requested with Sir Geoffrey Howe, Chancellor of the Exchequer.

Senior CBI leaders helieve that they should stress the problems faced by Industry and ask fur urgent

action. They are likely to argue that the Government can afford to act quickly because the growth of money supply is now only a fraction above the tup end of the 7-11 per cent target range set by Sir

Geoffrey. They will add that industry cannut afford to wait for the growth level to come down to the middle of the 7-11 per cent гапте.

Launching the quarterly trends survey yesterday, Sir Ray Pennock, chairman of BICC and CBI presidcot-elect, criticised the Government for not cutting public spending sufficiently.

"Although the CBI has supported and will continue

to support the Government's monetary pulicy, it is fair to say that business would have expected more effective control of public expenditure." Sir Ray, who hecomes president next month,

"On all fronts the Government's monetary policy is now heginning to hite." Interest rates needed to be hrought

The CBI's survey says that demand and output are expected in continue to decline in the next few months and that consumer industries have been hit specially hard.

Optimism about export prospects is also weakening. mainly because of price levels But a considerable number of companies have reported that the decline in export nrders bas been easing in recent months, usually, how ever, at the expense of profits.

Details. Page 6 Editorial Comment, Page 16 Men and Matters. Page 16

### Weather

UK TODAY

CLOUDY with some rain in most of England and South Wales. Elsewhere maioly dry with sunny periods.

London, S.E., Cent. S., E., S.W. Cent. N., N.E. England, East Anglia, Midlands, South Wales. Channel Is.

Rather cloudy, rain at times. Max. 12C (54F).

Rest of England, Scotland, I. n. Man. Orkney, Shetland Mainly dry, sunny periods Max, 13C t55F1.

Ontlook: Continuing dry in North, showery in South. WORLDWIDE

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and scream for help!

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THE LEX COLUMN

# Tarmac smooths the bumps

Not even reports of aerial logfighting over the Gulf could deflect bond markets from their upward path yesterday. Against the background of 8 further substantial fail in Eurodollar rates, dullar Eurobonds gained a point a point and gilt-edged returned to near the highest levels reached last week. The Governmen t Broker was supplying assorted stock to the market, which is now bracing itself for

a new tap on Friday.
On the foreign exchanges the dollar managed to rally a little. helped by the month-end covering of bear positions, and ster-ling slipped back from 73.7 to 73.2 on its trade-weighted index.

### Tarmac

Tarmac'a rehabilitation has proceded more quickly than the company itself could have thoungt possible a year ago, when large losses overseas and a management sbake-up severely tested the stock market's confidence in the shares. For 1979 the company bas turned in pretax profits of £38.0m, against £26.5m, with trading margins (ignoring the cootraction side) up from 7 to 9.1 per cent. This reflects good volume and prices in the quarry products divsion. which still provides balf Tarmac's earnings, a strong per-formance lo private housebuilding and a jump in hullding material profits from £4.3m to £10m, helped by loss elimination in France and excellent mar-

gins on hitumen refining.

Although the international contracting business is making modest profits again, UK contracting has slipped badly. Tar-mac is responding to the over-capacity in the industry and the unwillingness of local authorities to pay their bills on time by reducing volume by about a fifth and withdrawing from public sector housing

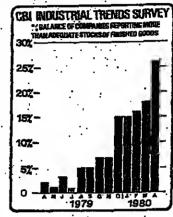
Tarmac's balance sheet is strong; net debt at the end of problems. The share price rose 1979 was only 28 per cent of equity, and a £12m off-balance-sheet guaraotee has disappeared. Even with some rise in debt and interest costs this year, the group should make £42m pre-tax unless the downturn in housing is unexpectedly steep. Provided Tarmac can resist the temptation of further high exposure in the Middle East, the shares do not look dear at 239p despite their recent good run. The yield is 81 per

Thorn EMI

cent and the p/e 4.3.

Yesterday's that Thorn EMI is to withdraw to Issue warrants for 20m shares traditional gas guzziers.

Index rose 4.6 to 436.7



from the medical scanner market underlines the coats of sorting out EMI and makes market scepticism at the time of the takeover hy Thorn look fully justified. The greater part of the proposed £16m payment hy General Electric of the U.S. represents settlement of the patent litigation, with the remainder going essentially to sheet consequences of spurchase the sales and servic. Now it is being required to purchase the sales and serviced load bonds sufficient to realing division of the established load bonds sufficient to realize scanners. Thorn EMI still has \$\tau\text{mon of those losses.}\tag{The affair is impressive, and the load bonds sufficient to realize the load b operations connected with the newly-developed machines and this could take another year.

The group intends to make the. full adjustment in the current year's balance sheet, and even after the £16m payment, could see provisions and asset writedowns approaching £30m or worst-case assumptions. So the proportion of debt to equity, which rose from 10 per cent to 30 per cent—plus when Thorn took over EMI, will now stand at about 50 per cent. And all this assumes that the GE deal

First Pennsylvania, inerica's 23rd largest bank, is the first the slump in the U.S. bond markets, and the rescue package provided by the Federal Deposit Insurance Corporation and a group of banks interest rates and increase involves heavy dilution for production in small cars by common stockholders. In relurn ing sales, there should be a s for a \$500m injection of sub- stantial recovery in 1981. ordinated deht (hacked up hy even looking a long way an \$1bn of private bank credit lipes it is not going to be possi and the Fed discount windows for Ford to return to the k announcement First Pennsylvania has agreed of profits it once made

at \$3 apiece, potentially m than doubling the 15.6m share previously outstanding. From 1979 high of \$15 the share probas tumpled to around \$5. Although the bank has

some years been struggling wit an above average level of no accruing and reduced ra loans, its main problems ha centred around the policy huilding up a large portfolio nften quite long term hon. Not only has this portfolio co more and more to finance fro short term borrowings Interest rates have risen, leadi to the slump in pre-tax inco: from \$38m to \$4m last ye (and a loss of \$7m in the fi quarter of 1980), but capi losses have mounted.

At the end of 1978 Fi Pennsylvania was carry \$102m of unrealised losses. the end of last year this sh fall of market against b value on a portfolio of alm \$1:6bn had climbed to \$19: representing a little over t of stockholders' equity. Si then dollar bonds have slum much further, before the repartial recovery. And F Pennsylvania has been loc in, unable to face the bala

dence of the Fed's readiness move in to support trout banks. But it underlines concern about the damage di hy the hond market colla throughout the U.S. fliani

### Ford U.S.

domestic operations in net income de guarter of 1980 the 27 doss generally jected for the inll year rather optimistic and the fi \$1.3hn. With the foreign sidiarles, mainly in the UK West Germany chipping \$800m or so, however, the wo wide deficit should be held

With its overseas interes and sound balance sheet, Fi is no Chrysler, and with los it is not going to be possi



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